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Official Report of Debates (Hansard)

Tuesday 30 September 2014

Standing Committee on Estimates

Ministry of Tourism,
Culture and Sport

Journal des débats (Hansard)

Mardi 30 septembre 2014

Comité permanent des budgets des dépenses

Ministère du Tourisme,
de la Culture et du Sport

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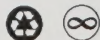
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 30 September 2014

Mardi 30 septembre 2014

The committee met at 0900 in room 151.

ELECTION OF CHAIR

The Clerk of the Committee (Mr. Katch Koch):

Good morning, honourable members. Welcome to the Standing Committee on Estimates. My name is Katch Koch; I'm the Clerk of your committee.

It is my duty to call upon you to elect a Chair, and pursuant to standing order 117(b), "The Chair of the Standing Committee on Estimates shall be a member of a recognized party in opposition to the government...." Are there any nominations?

Mr. Bas Balkissoon: Clerk, I move that MPP Cindy Forster be elected as the Chair.

The Clerk of the Committee (Mr. Katch Koch): Are there further nominations? There being no further nominations, I declare the nominations closed and Ms. Forster elected Chair of the committee.

Ms. Forster, may I ask you to take the chair to preside over the election of the Vice-Chair, please?

ELECTION OF VICE-CHAIR

The Chair (Ms. Cindy Forster): Is there a motion for the election of the Vice-Chair?

Mr. Bas Balkissoon: Madam Chair, I move that Miss Taylor be appointed Vice-Chair.

The Chair (Ms. Cindy Forster): Are there any other nominations? Mr. Balkissoon has moved that Miss Taylor be appointed Vice-Chair. Any discussion on the motion? Are the members ready to vote? All in favour? Opposed? Carried. Congratulations.

APPOINTMENT OF SUBCOMMITTEE

The Chair (Ms. Cindy Forster): Is there a motion for the appointment of the subcommittee on committee business? Mr. Balkissoon?

Mr. Bas Balkissoon: I move that a subcommittee on committee business be appointed to meet from time to time at the call of the Chair or at the request of any member thereof, to consider and report to the committee on the business of the committee;

That the presence of all members of the subcommittee is necessary to constitute a meeting;

That the subcommittee be composed of the following members: the Chair as Chair, Mr. Balkissoon, Mr. Harris and Miss Taylor; and

That substitution be permitted on the subcommittee.

The Chair (Ms. Cindy Forster): Is there discussion on the motion? Are the members ready to vote? All in favour of the motion? Opposed, if any? The motion is carried.

ORDER OF BUSINESS

The Chair (Ms. Cindy Forster): Good morning, everyone. Committee members, pursuant to the order of the House dated July 24, 2014, the House leaders of the recognized parties have submitted their selections of the estimates to be considered to the Clerk of the Committee by 5 p.m. on Friday, September 12, 2014. The committee therefore considers the estimates of the following ministries and offices:

—Ministry of Tourism, Culture and Sport for five hours;

—Ministry of Transportation for 10 hours;

—Ministry of Infrastructure for 10 hours;

—Ministry of Community and Social Services for five hours;

—Ministry of Energy for 7.5 hours;

—Ministry of Finance for 7.5 hours;

—Ministry of Health and Long-Term Care for 15 hours;

—Ministry of Aboriginal Affairs for 7.5 hours;

—Office of Francophone Affairs for 7.5 hours;

—Ministry of Consumer Services for 15 hours.

The committee has received a request from the House leaders asking that the order of consideration of the estimates of the Ministry of Transportation and the estimates of the Ministry of Infrastructure be switched to accommodate the schedules of respective ministers. The committee will note that in normal practice, standing order 60(c) stipulates that "the estimates of the ministries and offices shall be considered in the order in which they were selected" and that only the House may change the order of consideration.

However, in this exceptional circumstance, the committee is operating under an order of the House that states that "notwithstanding standing order 60(c), the estimates of the ministries and offices shall be considered in the following order: those ministries and offices selected by

the members of the party forming the official opposition, followed by those ministries and offices selected by the members of the party having the third largest membership in the House, followed by those ministries and offices selected by the members of the party forming the government.” Therefore, as long as all of the selections of the official opposition are considered prior to the selections of the third party, it is my interpretation that the committee, in making this switch, would not be in contravention of the order of the House.

As this decision affects all committee members, I would ask if there is unanimous consent to switch the order of consideration for two of the selections of the official opposition: the Ministry of Transportation and the Ministry of Infrastructure. Is that agreed? Thank you.

MINISTRY OF TOURISM, CULTURE AND SPORT

The Chair (Ms. Cindy Forster): Now we are going to proceed with the consideration of the estimates of the Ministry of Tourism, Culture and Sport for a total of five hours. The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to questions raised, so the minister can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer.

Are there any questions, Minister, before we start, or any questions of any of the members of the committee?

Hon. Michael Coteau: No questions.

The Chair (Ms. Cindy Forster): I am now required to call vote 3801, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition and then 30 minutes by the third party. Then the minister will have 30 minutes for a reply. The remaining time will be apportioned equally amongst the three parties.

Minister, the floor is yours.

Hon. Michael Coteau: Thank you very much and congratulations on the appointment.

Chair, members of the committee, ladies and gentlemen, it's an honour to be here today to speak to you. As the new Minister of Tourism, Culture and Sport and the minister responsible for the Pan/Parapan Am Games, I welcome this opportunity to talk to you about the important work my ministry is doing to create jobs, to drive innovation through tourism, culture and sport, and the 2015 Pan Am and Parapan Am Games.

To begin, I'd like to take a few moments to talk about Ontario's current economic climate, to help put our initiatives and achievements into context. The province's talented workforce is its greatest asset in attracting and sustaining economic growth. Recognizing that the 2014 Ontario budget laid out a comprehensive plan for a strong Ontario with more jobs, more opportunity and a more

secure future, the budget also recognized the importance of tourism, culture and the sport sector and the 2015 Pan Am and Parapan Am Games as an economic driver. By attracting jobs and investment, they are helping us to build a stronger, more competitive economy.

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My ministry has a plan to continue our support for tourism, culture and the sport sector in this province while achieving more cost-effective results for taxpayers. Ontario will help create jobs and grow the economy by investing in people, building modern infrastructure and supporting a dynamic and innovative business climate.

The Ontario government values the tourism, culture and sport sector and the role they play in driving the province's economic and creative growth. Ontario has the right environment for business and people to succeed: jobs, investment and innovation. That's what we need here in the province of Ontario. That's what tourism, culture and sport and the Pan Am/Parapan Am Games are all about.

Chair, members of the committee, now I'd like to introduce to you the good work that's being done in my ministry and tell you how tourism, culture and sport, and the games, contribute to building a prosperous Ontario, beginning with tourism.

My ministry recognizes the importance of building a strong tourism sector, one that creates jobs and strengthens the economy at home in Ontario and throughout Canada. Tourism is a key economic driver and a job creator in Ontario. It's one of our largest international export industries and one of our largest employers, generating over \$28 billion for the provincial economy and supporting over 347,000 jobs. It's the largest employer of young people and seasonal employees.

Tourism is set to grow rapidly. Tourism in Ontario grew in 2012 compared to 2011. More than 142 million people visited our province, and tourists spent 6.2% more while here in comparison to the previous year.

By 2020, the worldwide travelling population is projected to double to 1.6 billion. To help create a stronger, more competitive tourism industry, we created 13 tourism regions. Our government has committed \$40 million in annual funding to support these regions. By working together as a region, tourism partners are now benefiting from a coordinated and collaborative approach that maximizes our resources, encourages more strategic planning and investment, and results in stronger product development and marketing. For Ontario to compete on the world stage, we must continue to build on the success of this regional approach.

Our government remains committed to working closely with partners to build a stronger tourism industry here in Ontario, and we are taking a more proactive approach to attract private sector investment in new tourism products and experiences. Our Tourism Investment Strategy includes raising the profile of Ontario as a place to invest in tourism and presenting investment opportunities to potential international investors.

Ministry staff provide the expertise and assistance needed to support foreign direct investment in the tour-

ism industry. By continuing to build partnerships between levels of government and among stakeholders, we help ensure our country's place as an internationally renowned travel destination, with superior tourism experiences, attractions and services.

I'd like to highlight some of Ontario's initiatives that reflect our strengths and the combined efforts of our collaboration. Ontario and Quebec, for example, have been collaborating on tourism joint ventures in areas with a natural market fit, like the US and Mexico. Co-operative arrangements and enhanced exposure to national and international markets are now bringing economic benefits to both provinces. We continue to look at a number of areas, including one that is growing in importance: the development of aboriginal tourism. We also have shared insight and information with our colleagues from Manitoba on our music strategy, which is building momentum. Ontario has worked hard with our tourism industry partners to implement these successful strategies.

Regional tourism organizations representing the 13 tourism regions that I mentioned are continuing to evolve, and result in stronger partnerships and collaboration at the local level. Our tourism investment attraction strategy continues to generate new investment leads for Ontario, and we're seeing results. The Ripley's Aquarium of Canada in Toronto generated approximately 350 jobs and it attracted over two million visitors in its first year of operation. The new Legoland Discovery Centre in Vaughan created an estimated 100 jobs.

We are revitalizing provincial agencies as part of our plan to grow tourism. I confirmed our government's commitment to move forward on a vision for Ontario Place that capitalizes on the spectacular natural assets of Ontario's waterfront; builds on the legacy of innovation, live music and engagement; and is inspired by Ontarians who share their passion, their memories and their ideas. A project of this scale and scope is a complex undertaking, and it's important that we get it right. We are committed to getting the best, most cost-effective results for taxpayers. In keeping with the minister's advisory panel recommendations, we will explore partnerships with a wide range of public and private partners. The construction, development and operation of the revitalized Ontario Place will generate new private sector investments, jobs and tax revenue.

We will continue to approach this project in phases, with the construction of the first phase, a new urban park and waterfront trail, which will begin this fall. The park and trail project will transform a portion of the east island previously used as a parking lot, providing public access to this section of Toronto's waterfront for the first time in more than 40 years. That's seven and a half acres of new green space here in the city of Toronto, with a spectacular panoramic view of the city and the lake. Through public consultation, we learned that more green space and access to waterfronts were among people's top priorities for a new Ontario Place.

Since 2003, we have invested more than \$976 million in Ontario's tourism agencies. Our tourism agencies

attract visitors, stimulate local economies and help make Ontario a premier tourism destination. Since 2005, the Fun Pass has provided increased visibility and attendance for provincial attractions. The Fun Pass provides free admission to over 1.5 million elementary-school-aged children annually.

Our government also recognizes the importance of business generated by conventions. Since 2003, we have committed over \$105 million to support Ontario's convention centres, and we're seeing a strong return on our investment. On average, convention delegates spend more than twice as much as other visitors to Ontario. In 2011, convention delegates in Ontario generated \$1.3 billion in spending.

We're also hosting internationally renowned events, like WorldPride 2014, a huge celebration of diversity and equity; and the Honda Indy, another giant festival of road racing in downtown Toronto.

The Pan Am/Parapan Am Games of 2015 are expected to attract a quarter of a million visitors, which we know will be a strong economic catalyst and international spotlight on sports, as well as on Ontario's culture, tourism attractions, artists, festivals and events. In connection with the games, we launched Ignite Ontario, part of our effort to engage Ontarians and bring the benefits of hosting the games to communities across this province.

Ontario's festivals and events attract tourists, create jobs and support economic growth. Each year, they support over 22,000 jobs in Ontario and generate millions of dollars in revenue. In 2011, Ontario hosted the International Indian Film Academy's Weekend and Awards, which showcased our province to hundreds of millions of viewers from around the world.

Ports across Ontario welcomed the 2013 Tall Ship festival and a pan-provincial event commemorating the bicentennial of the War of 1812, which attracted over one million visitors.

WorldPride 2014 Toronto, which I mentioned earlier, helped raise the profile of Toronto and Ontario as international tourism destinations respectful of diversity and a champion of human rights. The Ontario government provided more than \$1.3 million to support Pride Toronto and WorldPride 2014 Toronto through a variety of programs.

Since 2013, our government has invested \$306 million to support more than 4,800 festivals and events across Ontario through a number of tourism and cultural programs. This includes the nearly \$20 million we're investing in 2014 through Celebrate Ontario to support more than 220 festivals and events across this province.

We're raising our international profile, securing approved destination status from China, representing a significant opportunity to boost tourism and economic activity here in our province. It allows us to market tourism experience to Chinese consumers, as well as the sale of group travel through Chinese operators. In 2012, entries from China to Ontario increased by 30% compared to those in 2011. By 2015, the number of visitors from China is expected to be at 236,000, double that of 2010.

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The international spotlight will continue to be on Ontario over the next few years. In addition to Pride Toronto and the games, we will host the 2015 and 2017 International Ice Hockey Federation World Junior Championships.

Chair, committee members, ladies and gentlemen, our government is also working closely with our partners to build a strong cultural sector, and we've had great success. Culture is now one of Ontario's fastest-growing sectors. This will help create more jobs and encourage more economic growth. The culture sector contributes more than \$22.6 billion annually to Ontario's economy. In addition, Ontario's entertainment and creative industry supports over 300,000 jobs.

Since 2003, we've committed over \$5.8 billion to the cultural sector, and we're seeing results. Our strategic investments help drive innovation, create jobs and provide a better quality of life for Ontarians. We are helping to build strong, vibrant and livable communities across Ontario.

Since 2003, our government has invested billions into the cultural sector, including \$241 million to the Ontario Media Development Corp. to support Ontario's entertainment and cultural industries, over \$574 million to the Ontario Arts Council to support artists and organizations across Ontario, over \$1.3 billion in the Ontario Trillium Foundation to help build healthy and vibrant communities, and over \$75 million to the Ontario Heritage Trust to support and protect heritage across the province. We will continue to make strategic investments in this important sector to help drive innovation, create jobs and provide a better quality of life for Ontarians.

An example of one of our successful strategic investments is the Toronto International Film Festival, which we as a government are very proud to support. It's always an exciting time of the year when we host gifted actors, directors, producers and media from here in Canada and Ontario and from around the world. TIFF puts us on the international stage and gives us a tremendous profile here in Ontario. This year's festival featured 390 movies, 450,000 viewers, films from 72 countries, and over 140 world premieres.

TIFF provides an incredible opportunity to profile Ontario films on the world stage—films like this year's *Maps to the Stars* and *October Gale*. Our screen-based sector contributes \$2.4 billion annually to our economy, supports more than 46,000 jobs, and ranks us alongside powerhouse industries such as New York and Los Angeles. With cutting-edge knowledge, first-rate infrastructure, diverse locations and financial incentives available through the Ontario Media Development Corp., we have the full package: an attractive, competitive destination for film and television production.

I recently attended the Premier's Awards for Excellence in the Arts, an event we hosted at Roy Thomson Hall, and had the opportunity to meet some incredible artists. It was an honour that evening to present two awards: first, the individual Artist Award to critically

acclaimed poet, novelist and performance storyteller Lee Maracle, and the Arts Organization Award to Le Théâtre du Nouvel-Ontario, a company that focuses on contemporary work from playwrights and artists from Ontario and across Canada.

Ontario is home to Canada's largest—and one of the world's most diverse—music sector. Ontario's music sector generates over 80% of total national revenues in regard to music. This is up 65% from 2005. In order to continue to build on this success, my ministry has launched two initiatives: the Ontario Music Fund and the Live Music Strategy.

The Ontario Music Fund was officially launched last October. It's a three-year, \$45-million grant program that will run to 2016. There are four streams of funding available through the fund, and each has its own uniqueness and its own characteristics and objectives. I'm happy to report that this year the Ontario Music Fund has received 270 applications from a diverse range of stakeholders. As you can tell, the program was highly competitive, and decision-making was challenging.

Earlier this month, I had the honour of joining Canadian rapper, record producer and record executive Kardinal Offishall to announce the first recipients of the Ontario Music Fund. We provided 108 grants to eligible recipients, music organizations and artists that produce, distribute and promote Canadian music as well as a number of other projects.

Through the fund, we are helping labels like Six Shooter Records to secure more worldwide deals and broaden their audience. We're supporting the Canadian Independent Recording Artists' Association's Mentorship Program that connects emerging artists with more established ones. We're supporting promotional activities that are designed to build an international fan base to established Ontario artists such as Divine Brown and her new 2014 album release.

This fund was developed to help support and create jobs and to position Ontario as a leading destination to record and perform music. More specifically, the Ontario Music Fund was designed to:

- increase recording and production activity here in the province;
- build strong, competitive and sustainable music companies;
- expand their capacity to develop artist exports, business skills and employment;
- increase opportunities for new and emerging Canadian artists to perform; and
- strengthen Ontario's music ecosystem by investing in associations and partnerships.

One of the greatest achievements so far has been the way these industry players have rallied to work together to form new partnerships and to make a concerted effort to grow Ontario's recording and live music scene. We've seen collaborations develop between some of the major players in live music.

Applications have now closed for year 2, and final funding decisions will be made in October. We look forward to seeing the continued benefits of this program.

You may recall that Ontario has also been working with its music partners to develop a Live Music Strategy. Live music plays a critical role in the vibrancy and success of the music industry. It's also a key driver of tourism and regional economic growth. The live music sector generates \$455 million in revenue, contributes \$252 million to Canada's annual GDP and supports over 7,000 direct and indirect jobs.

As part of our Live Music Strategy, we've been working with our tourism promotion agencies to actively position Ontario as a global destination for live music and music tourism. We're doing this largely through international marketing initiatives.

We're well under way with this strategy, and we've already developed a coordinated live music marketing and promotions plan through the creation of the Ontario Live Music brand and the new online resource portal ontariolivemusic.ca. We're very proud of ontariolivemusic.ca, which was officially launched in June of this year.

The website acts as a one-window platform for consumers to visit wherever they may be around the world to discover live music offerings in communities across this great province. It's a free bilingual service both for consumers and for those independent promoters, presenters or festivals that want to post information to promote their event. Listing information is streamed to ensure that it's both comprehensive and up to date. Users are able to find information quickly and easily by searching for events by location, date and artist/venue. In time, the site will also include audio clips so people can sample music on the spot. We have a number of ideas for the next phase of this portal, and we're working closely with Music Canada to explore the possibility of future development.

I'm sure that you'll agree that underlying all of our work as a government is our goal to build strong, vibrant and livable communities here across this great province. We want our province to be a healthy, prosperous place to live, work and play. Participating in sport and recreation is vital to the health and well-being of all Ontarians because we know that building a healthier Ontario will directly contribute to positive economic and social outcomes such as improved student achievement, increased labour-force productivity and stronger supportive social networks for individuals and communities.

Since 2003, our government has increased support for amateur sport by over 167% to strengthen opportunities within our communities and support our athletes. Through programs like the Ontario Sport and Recreation Communities Fund, we are committed to providing Ontarians with access to local and provincial programs that promote healthy, active living. I had the pleasure of announcing the 2014 grants last summer at the Scadding Court Community Centre, one of this year's recipients. This two-year funding program is designed to engage Ontarians in community sport, recreation and physical activity through high-quality initiatives. The fund has budgeted \$7.2 million, and this year will assist 116 projects at the local, regional and provincial levels.

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These innovative programs and services increase opportunities to participate in sport and recreation, establish physical literacy as a foundation for lifelong physical activity, and strengthen the capacity of the community sport and recreation sector. We support initiatives that offer inclusive opportunities for Ontarians, from francophones to our aboriginal communities, from children to youth to seniors, from low-income persons to people with disabilities. I'm very proud that our government is supporting initiatives like this and many others.

I'll add that a number of community projects will also increase participation, enhance skill development and build excitement around the 2015 games. As we ramp up to the games, these projects will enable more and more Ontarians to take part in healthy living and get into the spirit of sport.

We continue to invest in the economic and health benefits of trails, through our Ontario Trails Strategy. Since 2009, our government has invested more than \$77 million to support Ontario's trails, and we're seeing the results. Annually, trails generate \$2 billion in economic activity. We continue to invest in trails through our Ontario Trails Strategy, as well as \$3.5 million as part of Ontario's legacy strategy for the 2015 Pan Am and Parapan Am Games.

Our government is also committed to promoting and protecting the health of Ontario's young people through programs like after-school programs and Pan Am/Parapan Am Kids.

Through the after-school programs, a critical component of Ontario's Poverty Reduction Strategy and Ontario's Youth Action Plan, my ministry now provides over 20,000 opportunities for children and youth to access healthy, safe after-school activities in more than 400 locations in priority neighbourhoods and across this province.

Since December 2013, we've brought the excitement of the 2015 games to more than 50,000 participants in the Pan Am/Parapan Am Kids Program. It provides an opportunity for kids to participate in a variety of game-related sports and para-sport activities, increases cultural understanding of Pan-American countries, encourages community celebration leading up to the 2015 games, and inspires kids to lead active, healthy lives.

Activities began at the after-school program in January 2014, continued at the Pan Am/Parapan Am Kids summer camps in July 2014, and are ramping up in the schools this fall, building on the excitement as we head into the 2015 games.

Through the 2014 budget, my ministry will also increase funding to support various aboriginal and sport-focused organizations, including the Aboriginal Sport and Wellness Council of Ontario. These funds will be used to develop a network of sport and recreation opportunities for aboriginal people living in urban, rural and remote locations across this province. Through our investments, we support over 60 sport organizations that provide opportunities for athletes, coaches and officials to partici-

pate and excel in sport. Working in partnership with the federal government, over \$634 million has been invested in more than 1,100 sport and recreation infrastructure programs since 2006.

I also want to talk about the opportunity I had to tour the Canadian Sport Institute Ontario's incredible new 23,000-square-foot facility which is located at the aquatics centre in Scarborough. It was very rewarding for me to see how our government supports more than \$8 million over three years to the CSIO, the Canadian Sport Institute Ontario, in helping Ontario's high-performance athletes and para-athletes.

Chair, members of the committee, ladies and gentlemen, it seems like now is an appropriate time for me to talk about the Pan Am and Parapan Am Games that we will be hosting next year, in 2015.

As the new minister responsible for these games, what makes me most excited about this portfolio is that it combines the strength of our work in tourism, culture and sport, and provides the best possible foundation for success. Ontario is proud to be hosting the 2015 games. Our government recognizes the importance of delivering great games for Ontario and Canada. The people's games will be affordable, accessible, and an exceptional experience for athletes, Ontarians and visitors. The games will continue to be a catalyst for economic, social, infrastructure and athletic development. They will leave a legacy of new and improved sport and recreation facilities for generations of Ontarians to come, and the games will lead to the creation of over 26,000 jobs and help grow our economy here in the province of Ontario by \$3.7 billion. In addition, the games will attract an estimated 250,000 tourists and bring 10,000 athletes and team officials here to the province of Ontario.

The Pan Am and Parapan Am Games are a unique platform to showcase Ontario's culture and tourism attractions, artist festivals and events to a diverse international audience. We are boosting the region's economy and improving local residents' quality of life through investments in the athletes' village. Last month, I had the privilege to tour the village myself. I was impressed at the size and scope and unique features that it will be able to offer. I know this will become one of Toronto's next great neighbourhoods, and it's exciting to see how incredible this community is. It's taking shape, and it's a testament to how far we've come since winning the bid many years ago.

The construction of the athletes' village is on time and on budget and is over 95% complete. The revitalization of the West Don Lands, home to the athletes' village, has been in the planning stages since the 1980s. It is now a reimagined community built up from the ground up to five to 10 years sooner than originally planned. The community will truly represent the very heart of what makes Toronto so special, where people of all ages, all walks of life, income status and abilities will have the opportunity to live, play and grow.

The community will feature a new YMCA. It will have the first-ever George Brown College residence that

will be able to host 500 students; 808 units of market housing, with up to 100 units reserved for affordable ownership; and 253 units of affordable rental housing, filling—

The Chair (Ms. Cindy Forster): Excuse me, Minister. You have one minute left.

Hon. Michael Coteau: Okay.

I want to thank the committee for the opportunity to present an update of what our ministry has been doing over the last year and the many years leading up to remarkable events like the Pan Am and Parapan Am Games. It is an excellent opportunity for us to showcase Ontario. I am proud to say that within the first 48 hours we were able to sell 75,000 tickets. We've had 33,000 people apply to be volunteers during the games.

I'm very proud of the work that TO2015 has been able to do to date and am very proud of the work that the ministry has been able to do over the years. I'd like to thank the deputy and his staff for the incredible work they've been able to accomplish.

I will stop there.

The Chair (Ms. Cindy Forster): Thank you, Minister.

I will move to the official opposition. Mr. Hillier?

Mr. Randy Hillier: Thank you, Minister. It sounds like you've had a busy summer. You've been named minister earlier this summer and been touring around. I'm sure you've spent some time reviewing the estimates, of course, that are in front of this committee today and that you're fully briefed and fully knowledgeable on all the expenditures that your ministry undertakes on behalf of the taxpayer. That's correct—fully briefed, fully knowledgeable?

Hon. Michael Coteau: We've gone through the estimates, and I'm quite confident we'll be able to answer any question you may have.

Mr. Randy Hillier: Good. Okay.

I want to first start by saying that there were some mandate letters released earlier for all ministries—yours as well—and I just want to quote from the mandate letter.

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"As we move forward with our plan to grow the economy and create jobs, we will do this through a lens of fiscal prudence." I trust you will continue to measure the contributions of these events and festivals and ensure that all decisions relating to them are supported by sound economic analysis. That's in your mandate; that's an obligation and an expectation of the Premier. So can I ask the question: Have you done that economic analysis on your expenditures?

Hon. Michael Coteau: You know, during my remarks, I talked about the investments we're making to help grow the economy—

Mr. Randy Hillier: No, no, I asked you a question: Have you made the economic analysis?

Hon. Michael Coteau: During my presentation, I talked about the investments we've been making in tourism and culture here in the province of Ontario to help grow the economy. We understand, through our

analysis, that the investments we make into tourism and to—

Mr. Randy Hillier: No, no.

Hon. Michael Coteau: I'll get to—

Mr. Randy Hillier: Have you made those economic analyses that are in your mandate letter? Yes or no?

Hon. Michael Coteau: Let me—

Mr. Randy Hillier: Yes or no?

Mr. Bas Balkissoon: Chair.

The Chair (Ms. Cindy Forster): Mr. Hillier, can the minister answer your question?

Mr. Randy Hillier: I'd like to have an answer.

Hon. Michael Coteau: Can I answer the question?

Mr. Randy Hillier: I would like that.

Hon. Michael Coteau: Thank you for the opportunity.

As I said in my remarks, we've been able to invest into tourism, culture and the sport sector here in the province of Ontario. We know that in 2015, we've made a huge investment into bringing the Pan Am/Parapan Am Games here to the province of Ontario. As I remarked, one simple example was the relationship that we've built with China and the fact that, within the next few years, we'll double—

Interjection.

Hon. Michael Coteau: I'll get to—

Mr. Randy Hillier: No, we'll go on to the next question; you're clearly evading that one. I'm looking for answers; I'm not looking for—

Hon. Michael Coteau: I'll get to—

Mr. Randy Hillier: No, no, I'll go on to the next question.

Hon. Michael Coteau: I'll get to the answer. I just want to—

Mr. Randy Hillier: Clearly, you haven't done the analysis or else you'd say yes. You haven't done so, so we'll move on to the next question.

Hon. Michael Coteau: Next question.

Mr. Randy Hillier: Okay. Minister, this year in your estimates, you have included \$46 million for the Metro Toronto Convention Centre. Are you aware that the Metro Toronto Convention Centre, in its mandate, in its statutory obligations, is to be a self-sustaining entity and not to be a drain on the taxpayers' purse? Forty-six million dollars—

Hon. Michael Coteau: The Metro Toronto Convention Centre is one of the agencies that we have here in the province of Ontario that actually contributes in excess of \$6 million back to the provincial government each year. It's quite profitable. We take great pride in the fact that they're able to make that type of investment and return back to taxpayers each year. I have full confidence in the board that they will continue to return money back to the province.

I'll turn it over to the deputy to weigh in on this question.

Mr. Randy Hillier: Maybe I'll just clarify this before you turn it over to the deputy.

Hon. Michael Coteau: No, I got your question; \$46 million—

Mr. Randy Hillier: No, I think it's important for the—you've said that the province receives \$6 million.

Mr. Bas Balkissoon: Chair, a point of order.

The Chair (Ms. Cindy Forster): Point of order.

Mr. Randy Hillier: We give them \$46 million.

The Chair (Ms. Cindy Forster): Mr. Hillier, there's a point of order.

Hon. Michael Coteau: I'm going to turn it over to the—oh, sorry.

Mr. Bas Balkissoon: Chair, I hear my colleague on the other side asking a question, but I think it's only fair that we give the ministry an opportunity to answer rather than cutting him off and trying to switch to something else. I think the minister is struggling to try and give that answer. I think, in fairness to the rest of us on the committee to hear the answer, we should allow him that opportunity.

Mr. Paul Miller: Point of order, Chair.

The Chair (Ms. Cindy Forster): Point of order, Mr. Miller.

Mr. Paul Miller: I hear what Mr. Balkissoon is saying. However, as he is well aware—and he has been around long enough—when ministries report to the estimates, they have a tendency to eat up the time with irrelevant information. I concur with Mr. Hillier trying to get to the point and get an answer. That's his right.

Mr. Bas Balkissoon: I'm just asking—

Mr. Paul Miller: That's his right. But we don't need to go off another distance and talk about something that has nothing to do with it and is irrelevant to what he's asking. That's what will happen all day. Get used to it, because that's what happens.

Mr. Bas Balkissoon: But we have—

Mr. Randy Hillier: Chair, point of order. I've asked a question. It has to be incumbent on me to be the one who decides if there has been an answer provided or if there is not an answer being provided. It's my prerogative if I ought to move on to another question.

The Chair (Ms. Cindy Forster): I'm going to be listening very carefully to the questions and to the answers. No one's speaker will be turned on until I recognize you from here on in.

Hon. Michael Coteau: Madam Chair, can I get back to the answer to the question on the convention centre, because the way it has been positioned by the opposition is that we've given \$46 million to the convention centre, and that's simply not the fact. It's a consolidation that shows up on our books—I was going to get to that. Actually, we make money off of the convention centre—\$6 million per year—and the \$46 million is their operation, which is consolidated on our books, so it's not actually a transfer.

I'd like the deputy to weigh in on this just to bring clarity, in all fairness.

The Chair (Ms. Cindy Forster): Mr. Hillier, are you satisfied with the answer, or would you like to move on to your next question?

Mr. Randy Hillier: I'll move on to my next question.

Hon. Michael Coteau: And I just want to be clear to the committee members here that—

The Chair (Ms. Cindy Forster): Mr. Hillier has the floor.

Mr. Randy Hillier: Minister, are you aware that the Metro Toronto Convention Centre, in the statutory obligations, is required to produce and file an annual report each year, and that it has not—on its website, the last annual report that it has is 2011-12. In addition, the Metro Toronto Convention Centre is obligated, under the statutes, to provide expenses for its senior management, quarterly, and that no expenses appear on either the government website or the Metro Toronto Convention Centre website since 2012.

Clearly, they are not fulfilling their statutory obligations. They are an agency under your administration, and you are making decisions of transferring funds for an agency that is not fulfilling its statutory obligations.

Minister, can you explain why those annual reports do not appear and why expenses are not filed?

The Chair (Ms. Cindy Forster): Minister?

Hon. Michael Coteau: Thank you very much for the question. We work hard with our 19 agencies at the Ministry of Tourism, Culture and Sport to ensure that all of the annual reports are submitted on time and to meet their statutory requirements. From time to time, we do have agencies that submit them late, and we go through a process to ensure that they're accountable by making sure that they get in on time.

I'll turn it over to the deputy to just weight in on this issue a bit.

Mr. Steven Davidson: It's exactly as the minister described. In some cases, because the annual reports require the inclusion of audited financial statements, from time to time the agency experiences a delay with their auditor in receiving the audited financials, and so it occasionally means that the report is delayed. But as the minister said, we work hard with all the agencies to ensure that those delays are minimized, and in this case I can assure you that we're doing that with the Toronto convention centre.

Mr. Randy Hillier: So 2011-12 is their last published annual report, where it states that they will not be a drain on the taxpayer and where they state and recognize that they have to disclose expenses, which they have not done. That's just par for the course—

Mr. Steven Davidson: There's one outstanding report, the 2012-13—

Interjection.

Mr. Steven Davidson: 2013-14; you're right.

Mr. Randy Hillier: It's getting a little long in the tooth. Right? I remember in 2009, when the Liberal government, after the eHealth scandals, tightened up the reporting mechanisms for expenses and we went to quarterly expenses, and not since 2012 has this Toronto convention centre published any expenses. That's a failure, and it's a failure of the ministry to allow this long-in-the tooth scenario to be continuing on. I question your ability to make sound business decisions under a

lens of fiscal prudence if we have agencies operating outside of their statutory obligations, and we're saying that's just par for the course.

Mr. Steven Davidson: I would be happy to get back to you with a more specific answer about timing for these, and I'll endeavour to do that today.

Mr. Randy Hillier: How about providing this committee with your economic analysis that justified the \$46 million to the Metro Toronto Convention Centre? Can you provide the committee with the economic analysis?

Hon. Michael Coteau: I think we need to be clear here, and Chair, there have been two or three references to the fact that we've provided \$46 million to the convention centre. It shows up on our books as a reflection of their operation. But we, as a government—it's a consolidated amount brought onto our books—have not provided them with \$46 million.

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Let me be clear here: The convention centre is profitable and it returns \$6 million back to the province every year, so I think we need to be clear on that point.

The Chair (Ms. Cindy Forster): Mr. Hillier, does that answer your question?

Mr. Randy Hillier: No. I asked, can the minister provide the economic analysis that they've based their decisions on, and not some rambling. There's \$46 million on the vote in estimates. He says we get \$6 million. We know that we don't have any annual reports. We know that they don't file any expenses.

I'd like the minister to fulfill those obligations—his mandate, the expectation of the taxpayers—to be open, to be transparent, to hold his agencies to account and provide this committee with that information. It should be a yes or no.

The Chair (Ms. Cindy Forster): Deputy Minister?

Mr. Steven Davidson: If I could, Mr. Hillier—and if people have the estimates book in front of them, the figure that Mr. Hillier is referring to is on page 8, where it lists a number—

Mr. Randy Hillier: Page 4 or page 8?

Mr. Steven Davidson: Sorry, page 18, rather. The table about a quarter of the way down lists a number of the ministry's agencies whose size meets a threshold in order that they are then consolidated, as the term is, onto the province's books. So what these numbers reflect is not the government's transfer to those agencies. In fact, as to the convention centre—to both convention centres, Toronto and Ottawa—they receive zero operating support from the province. This number is the total of the convention centres' budget. It's what they spend. We contribute nothing to this. Through a process of analysis undertaken by the Ministry of Tourism, Culture and Sport, with the Ministry of Finance and the agencies, there is a determination of the consolidation figure, which is essentially their expenditures, and that is then reported in this way, as an agency consolidation.

The Chair (Ms. Cindy Forster): Mr. Hillier.

Mr. Randy Hillier: We asked for the analysis. If you can provide that to the committee, it would be fine.

I want to just state that the Metro Toronto Convention Centre Corp. is an agency of this government. It falls under this minister's jurisdiction. The real property there, the convention centre itself, is owned by Oxford Properties, which is a part of OMERS, the Ontario municipal employees' retirement fund. So we don't own the property, but this government has an agency that is operating it.

On the estimates there appears, under the consolidated adjustment, \$46 million on page 2, and then there's a further \$6 million a little bit later on. There are no expenses filed. There are dated annual reports. We'd like to have that recognized. I've asked for the analysis. Hopefully, the minister can provide it. Then I'll move on to the second part, a new question.

Once again, under your obligations, Minister, there's another agency. It's called the St. Lawrence Parks Commission. It as well has a mandate to not be a drain on taxpayer funds, on the taxpayers' purse.

Hon. Michael Coteau: Sorry. Can you repeat that?

Mr. Randy Hillier: The St. Lawrence Parks Commission. They, again, have an annual report from 2011-12, but that's the most current. Once again, they don't show up in the expenses, either on their website or the government website. This year, there will be \$8.2 million that are estimated to be transferred to St. Lawrence Parks. It has a history of receiving significant transfers from your ministry.

Minister, have you looked at this? This agency spends \$11 million in wages this year and spends \$3 million on services. It loses money each and every year. It has a mandate not to lose money. It has a mandate to be self-sustaining.

I'm wondering, Minister, can you provide this committee with the economic analysis that you undertook before seeking another \$8 million this year in appropriations for this agency?

Hon. Michael Coteau: I'll turn that over to the deputy.

Mr. Steven Davidson: Certainly. The St. Lawrence Parks Commission does receive, as you've noted, an annual operating grant from the ministry. Its mandate is twofold: It's to balance the stewardship and operation and conservation of its heritage assets—the big ones are Fort Henry in Kingston and Upper Canada Village down in Morrisburg—with a number of commercial enterprises that help it become not fully self-sustaining, but significantly self-sustaining. The challenge for the St. Lawrence Parks Commission is always to find that balance between commercial activities which will be respectful of the integrity of the heritage assets and the cost of maintaining those heritage assets themselves—and you can imagine the conservation and restoration costs as well as the operating costs of making them open and available to the public. So they do that in some ways. Fort Henry—they've embarked on some—

Mr. Randy Hillier: Well, they've got golf courses. They've got all kinds of things.

Mr. Steven Davidson: Well, they have golf courses in between, but they also try to program in ways that will

reach new audiences. There's Fort Fright in Kingston that's attracting new audiences and a Pumpkinferno festival down in Upper Canada Village that's bringing in a fairly impressive number of tourists from Quebec. So they try to balance their programming.

Mr. Randy Hillier: But it has the mandate not to be a drain on the taxpayers' purse.

Mr. Steven Davidson: Well, that's—

Mr. Randy Hillier: Every year—

Mr. Steven Davidson: That's—

Mr. Randy Hillier: No, no, that's what is stated. That's what's written down. That is the obligation. Clearly, they're not doing that. So if they can't function to the level of their mandate, maybe their mandate needs to be altered or maybe there needs to be some professional guidance and management and expertise provided so that they can get closer to achieving that mandate.

It's not just the St. Lawrence Parks, Minister. It's also the Niagara Parks Commission. This year, there's going to be a transfer of \$70-some million that you're estimating in appropriations for the Niagara Parks Commission. Once again, it has a clearly established mandate not to be a drain on the taxpayer dollar. Actually, when you look through the Niagara Parks Commission annual reports, they once were profitable. Up until about 2005 or 2006, they were a profitable entity. Since that time, they have been a drain on the taxpayers' purse. This year, it's \$70 million. So what has happened with this Niagara Parks Commission, to go from a profitable agency of government to a drain? And what economic analysis has your ministry done on the Niagara Parks Commission, as per your mandate letter?

Hon. Michael Coteau: I think the member is a bit confused. When he's looking at page 18 and seeing the different numbers—the \$40-plus million for the convention centre, the \$70 million for the Niagara Parks Commission—these are consolidated budgets that are listed here. That doesn't necessarily mean we're giving them \$70 million.

We're very proud of the 19 agencies that we have at the ministry. Some of them make a lot of money—the convention centre is profitable, past \$6 million—and some of them have a mandate to preserve their heritage and culture in the province of Ontario, like the St. Lawrence. So it's essential for us to find that balance and to really make sure that at the end of the day, we support our culture, we support our heritage, which brings in return.

The fact that one specific agency may not make as much as another doesn't necessarily mean it's unsuccessful or successful. What it means is that it's adding to the local tourism within a region. I know that the different agencies and different parts of Ontario bring in different types of support and tourism and add to the culture.

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If I can bring some people up to Science North, for example, and have them visit Sudbury, then they have the opportunity to go in to Sudbury and spend dollars as well. That's a perfect example of one of our agencies

that, 10 years ago, 75% of its operation was funded by the province of Ontario. Over the last decade they've transformed themselves, and now 25% comes from the province of Ontario and 75% comes from their innovation. So we've made huge gains.

Back to the convention centre: The fact that it's profitable and returns money back to the provincial government—\$6 million—that's exactly what it should be doing. We're so proud of the work that they've been able to do.

The Chair (Ms. Cindy Forster): Mr. Hillier, does that answer your question?

Mr. Randy Hillier: No.

The Niagara Parks Commission loses money. It has a mandate, and I understand that we may want to have things paid for on the public purse. I understand that, and I understand that that is a cost. Right? However, when an agency under your direction has a mandate to not be a drain on the public purse, and where it has shown in the past that it was not—but since 2005, it has been in a losing position. It has lost money each year. I believe their last financial report was October 2013, but they've lost money and you're transferring money to the Niagara Parks Commission.

Minister, you've got a mandate of fiscal prudence. You've got a mandate of sound, economic analysis before you make decisions, so explain to the committee—provide the committee—what is the economic analysis? What happened to the Niagara Parks Commission, that was once profitable and now is not?

Hon. Michael Coteau: Let's go back to my original point. I think the member is confused. The Niagara Parks Commission does not receive any operational money from this government. The convention centre does not receive money from this government; it gives back. He's reading the numbers wrong. If he wants a deep analysis or a financial analysis of this, we can bring up someone from behind here and provide that analysis if you'd like.

I need to be clear here that the Niagara Parks Commission does not receive operational dollars from the province of Ontario, and the St. Lawrence Parks Commission does not receive operational dollars from the province of Ontario. The St. Lawrence Parks Commission does receive a grant but they do not receive operational. The Niagara Parks Commission is drawing down from its reserve, so it's self-sufficient. I think we need to be clear here because what you're saying is a little bit different than what the actual reality is.

Mr. Randy Hillier: It shows up as a vote for expenditures. It shows up in the estimates as an expenditure.

Hon. Michael Coteau: And I've explained that clearly.

Madam Chair, I've done it five times now that the books he's reading—he's reading page 18 wrong.

Mr. Randy Hillier: Sometimes we can't see the forest through the trees here, I guess, Minister. However, we also know that there is a standard for public accounting in this country and in this province. There are some exemptions for these agencies to meet those standards, and it's under legislation.

It certainly appears that there is some level of either depreciation on an asset that is not owned that is then expended by the Ontario government, by the taxpayers, in the metro convention centre. I'd like to have those clear explanations and that clear economic analysis about expenses not being filed on time and with the statutory obligations—financial annual reports not being filed, not being public, not being transparent. Why do these expenditures show up in the estimates and why is there no economic analysis, as your mandate letters provide? Those are four pretty simple things. Okay?

I've not heard a good answer—there is no good answer—why one of your agencies does not file their expenses, where many of your agencies don't file expenses, where many of your agencies don't file annual reports in a timely fashion, and they certainly don't put them in the public arena for scrutiny in any transparent fashion. These are just four that I went through and found of the very many other—you've got a lot of agencies. Surely, I think you can recognize this, Minister. Your ministry is, in effect, a big transfer agency: \$1.6 billion are your expenses; \$1.2 billion are transfers to other agencies. You've got 950 employees. You transfer money to other people in other agencies, and you have an obligation to uphold and ensure that it's done in a transparent fashion, so that the taxpayer can scrutinize and examine those expenses. Annual reports that aren't filed, expenses that aren't shown, are not transparent, and 2012 is plenty long enough—there is no excuse.

Hon. Michael Coteau: Do you want me to provide comments—

Interjection.

The Chair (Ms. Cindy Forster): Excuse me. You still have three minutes.

Mr. Michael Harris: I think there were just some action items that we want to make sure they've got on file, or the committee does, and that's—

Hon. Michael Coteau: Madam Chair, can I just respond to the—

The Chair (Ms. Cindy Forster): Minister, you will have 30 minutes to respond, very shortly. So I'll turn it over to—

Mr. Michael Harris: For the record, we want to make sure that the ministry or minister follows up on the questions Mr. Hillier had on the annual reports: why they haven't been done since 2011-12, and if they have, to table those with the committee, as well as the expenses for those respective agencies, and then, I guess, the economic analysis for the grant that the St. Lawrence Parks Commission receives, just some—

Hon. Michael Coteau: We're prepared to provide the answers right now if the member will allow us to speak. I'm prepared to answer those questions.

I would have thought that when you have an agency that is profitable by \$6 million—I thought the member would jump off his seat once he heard that, considering it's a \$6-million add to the budget, to the province.

All of our agencies have to follow the compliance within the provincial government. There are standards in

place. The travel and hospitality measures that we have implemented must be followed.

We will get those annual reports. I have full confidence in all of our agencies that they will follow the rules, that they will file their annual reports. I'm quite proud of the work.

The fact that our agency the Metro Toronto Convention Centre has given us back \$6 million—I would think that you'd be quite happy with those results. Remember the premise with which you started the question. You had the assumption that they actually lost \$46 million—

Interjection.

Hon. Michael Coteau: Hold on. Madam Chair, can you please—

The Chair (Ms. Cindy Forster): One minute.

Interjections.

Hon. Michael Coteau: Remember the premise you started on, that this agency was losing \$46 million. So your information was wrong from the beginning, and we corrected that. Then we went even further to say that an additional \$6 million came back to the province, and yet you weren't satisfied. I would have thought that at that point you would have said, "Great work, Minister. Great work, ministry. This government is doing exactly what they should be doing."

The Chair (Ms. Cindy Forster): Thank you, Minister.

We'll turn it over to Mr. Miller from the third party.

Mr. Paul Miller: Here comes the other good-news bearer.

The Chair (Ms. Cindy Forster): You have 30 minutes, Mr. Miller.

Mr. Paul Miller: Get ready.

First of all, I would like to congratulate the Chair and the Vice-Chair on their appointments.

New members, this is a process that can become very agitated, so bear with us.

Minister, my biggest concern is that when you took over office from Minister Chan, at the time—for three years, as I sat in opposition, I listened to Mr. Chan tell me that everything is on budget, everything is fine, hunky-dory; that I'm just doing scare tactics, that I don't know what I'm talking about, going on and on.

It was a week into your term that you turned around—they asked the same question—and from an honest perspective, you said, "I'm not sure it's on budget. I can't say yes or no." That was refreshing for me at the time. But to hear you once again say the same thing that Minister Chan said, that everything is on time and on budget—is a fallacy. It is not on time; it is not on budget.

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To give you an example, I attended the opening game at Tim Hortons Field. The toilets weren't ready. There were no concession stands open. They had to bring beer trucks in. It was not ready, and I hear the deputy minister say today, "Well, it's 95% ready." It was supposed to be ready on June 16. It's still not ready, and we're pushing into October. My prediction, from a trades perspective, because I have three trades—when I toured it I said

there's no possible way this is going to be ready for Labour Day, and it'll be lucky if it's ready for November. That seems to have transpired.

What I'm saying to you is, when is the government going to be accountable and stand up to the public of Ontario and tell them it's not on budget, it's not on time? As you witnessed last week, an additional \$74 million had to be found to put into whatever—we haven't found out what. Trust me, Minister, before this is over, there is going to be a lot more money put into that. That's just the tip of the iceberg. I can guarantee it.

Now you've had two severances of well over \$300,000. How many more people are on that ticket, are on that—how would I put it—contract they signed with the ministry? That was to be for one year after, to stay for one year. It appears Mr. Troop and the other person have left with almost a million dollars. There's more coming: bad business, bad contracts. What's your answer to those statements?

Hon. Michael Coteau: Thank you very much for the question. I appreciate your focus on these games. I think they're important games for Ontario, and I think, as a sport enthusiast, you share my enthusiasm towards 2015 for the Pan Am and the Parapan Am Games. Even specifically in your area, in Hamilton, the development that's been able to be leveraged through the games and the brand new build of a new stadium in Hamilton, to me that's an extraordinary accomplishment of this government and the people of—

Mr. Paul Miller: With respect, Minister, with respect I'd like to ask you to answer the question.

Hon. Michael Coteau: Madam Chair, can I answer the question?

Mr. Paul Miller: He's not answering the question. The question was, Minister—

Hon. Michael Coteau: Can I answer the—

Mr. Paul Miller: The question was—

Hon. Michael Coteau: You had seven questions there. Let me get into them. So—

Mr. Paul Miller: I'm asking you a question and you did not answer it. I don't want a tour of Tim Hortons Field.

Hon. Michael Coteau: I'll start with the first question. You asked—

The Chair (Ms. Cindy Forster): Order.

Mr. Paul Miller: I don't want a tour of Tim Hortons Field. The question was: Are you going to stop saying things are on time and on budget? Because they're not.

Hon. Michael Coteau: If you'd let me answer—

Mr. Paul Miller: You're not answering.

Hon. Michael Coteau: If you'd let me answer, the first point you made was that in my first week on the job, I said I couldn't guarantee that everything—

Mr. Paul Miller: After three years of saying they could.

Hon. Michael Coteau: Madam Chair, I couldn't guarantee that the games would be on budget. I couldn't guarantee that. How could I guarantee, a week into a job, that anything would be on budget or—

Mr. Paul Miller: Minister, you're saying today it is.

Hon. Michael Coteau: Hang on. Madam Chair—

Mr. Paul Miller: You're saying today it is.

The Chair (Ms. Cindy Forster): Order.

Mr. Paul Miller: You're saying it's on budget today. It's well into more than a week.

Hon. Michael Coteau: Now let me continue. So what I said was, when I was asked by the Toronto Star, "Can you guarantee that the games will be"—I said I can't guarantee that. I made reference to security. We know, and this has been an evolving area within the game, that it was originally slated for \$113 million; it's gone up to \$239 million. This was set by the OPP, and they made an estimate. How could I guarantee the safety cost of the games when we don't know what threat levels are out there?

Mr. Paul Miller: Minister, it's fine—

Hon. Michael Coteau: Hang on. He asked several things.

Mr. Paul Miller: I'd like to ask another question.

Hon. Michael Coteau: No, you asked—

Mr. Paul Miller: He's cutting me off, and I'm asking a question. He's avoiding—

Hon. Michael Coteau: I'm cutting you off?

Mr. Paul Miller: You're avoiding the question.

The Chair (Ms. Cindy Forster): Order. Order.

Mr. Paul Miller: You keep saying things are on budget. They're not on budget.

Hon. Michael Coteau: In addition to that, I made reference to the athletes' village. I said it was on time and on budget. I don't know if you've had an opportunity to go down—that's what I said in my opening remarks.

Mr. Paul Miller: I don't think it's on time and on budget.

Hon. Michael Coteau: I don't know how you satisfy—

The Chair (Ms. Cindy Forster): Minister, wrap up your answer. We'll go back to Mr. Miller for—

Hon. Michael Coteau: No, I'm not finished, Chair, my—

The Chair (Ms. Cindy Forster): You'll have an opportunity when you get to your 30 minutes.

Hon. Michael Coteau: Okay. Thank you.

Mr. Paul Miller: Okay, moving on.

Hon. Michael Coteau: I'm glad you got all your answers—

Mr. Paul Miller: I'm glad you mentioned the security, because we were at \$113 million originally. You have all these experts, like Mr. Troop, and all these people you hired who have done other games—they should know. It shouldn't double. It's at \$238 million and climbing, and you also don't have contracts signed with the regional police that I know of, that I'm aware of. You've got York regional, you've got Niagara regional, you've got Hamilton regional, you've got Peel regional. That's going to be additional costs on top of what you said.

And let's not even talk about transportation. That seems to have changed. Now we have satellite villages that you're going to do, which is going to be more money. You've talked about the feel for the games, how

the athletes will be all together in the village, and they would get a sense of what the games are all about. Now you're splitting them up and putting them in little pods all over the province. They're not going to get a feel for it.

Moving on: The estimates book was published before the September 23 technical briefing that was actually an announcement of increased funding. Where does the increased money plug into these estimates? I don't see it.

Hon. Michael Coteau: So your question is, the \$74 million in additional funding to—

Mr. Paul Miller: No; my question was, the estimates book was published before the September 23 technical briefing that was actually an announcement of increased funding. Where does that increased money plug into these estimates?

Hon. Michael Coteau: Deputy?

Mr. Steven Davidson: As you pointed out, the estimates were published before this in-year Treasury Board decision to provide the additional allocation to TO2015. The mechanics of this are that because these investments will actually flow in the next fiscal, they will be reported out through the budget and will appear in next year's estimates in public accounts.

Mr. Paul Miller: With all respect, Minister, your website, updated on September 15, states, "Ontario has a \$42-million promotion, celebration and legacy strategy to ensure everyone across the province benefits from the games." Explain how that money has been and will be utilized if that dollar amount has been reached and if there will be a request for more money in this envelope.

Mr. Steven Davidson: Those are two different things—

Mr. Paul Miller: It's all money.

Mr. Steven Davidson: The \$42-million investment in promotion, celebration and legacy initiatives was a funding decision made by the government last year and announced last summer. I will say, though, in terms of the cost of those initiatives, that in approving the \$74-million investment in TO2015, the Treasury Board required us to go back and look for internal offsets, and we did in fact find \$2 million in savings out of that \$42-million package.

Mr. Paul Miller: Okay, thank you.

Clearly there has been a problem, Chair, attracting corporate sponsorships, as we know—a \$25-million problem. On your website, you list government partners along with the Olympic and Paralympic committees. Where are your corporate sponsors listed, along with the amount that they donated? I don't see it.

Hon. Michael Coteau: Thank you very much for the question. I'm quite proud of the work that TO2015 has been able to accomplish by gathering sponsorship and revenue. They've raised over \$100 million to date. Their original target was, I believe, \$150 million—

Mr. Paul Miller: Apparently, we're short.

Hon. Michael Coteau: If you compare their achievements to the last games in Mexico—they raised \$40 million in Mexico through sponsorship. Half of it came

from government. TO2015 has been able to raise \$100-million-plus, and all of it from corporate Canada. They've gone way above—

Mr. Paul Miller: I hope they can raise more, Minister, because they're going to have to have the shortfalls covered from all these extended expenditures that are happening. You'll be lucky if you break even.

Hon. Michael Coteau: Madam Chair, please let me answer the question without the interruptions. It's getting a bit frustrating.

Mr. Paul Miller: Oh, tell me about it. I've seen five years of it.

Hon. Michael Coteau: What we did was, with the \$74 million, there was a holdback of \$30 million—and that's the additional \$74 million we gave—to say to TO2015, "We still expect you to raise that additional \$26 million in sponsorship, but in case of the event where you cannot reach that target"—the most aggressive, the highest possible target in any Pan Am Games ever in the history of the sport—"we have that amount ready to be used."

Mr. Paul Miller: The next question is: On page 77 of the estimates book, you state, "The Pan/Parapan American Games Secretariat (P/PAGS) is responsible for overseeing and coordinating Ontario's involvement in the games, including ensuring that the province's games objectives are achieved. It manages and oversees the transfer payment agreement, risk mitigation, reporting and accountability relationship between the games organizing committee (TO2015) and the province." It states that you work with Infrastructure Ontario but does not mention the other ministries or the ABCs of that. Maybe the deputy minister could explain that to me.

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Hon. Michael Coteau: Before the deputy responds, I want to say how happy I am that—this secretariat has worked with many different ministries. You brought up Infrastructure Ontario. To date, Infrastructure Ontario has been responsible for saving over \$50 million—under budget—in regard to builds across the province in relation to the Pan Am Games. So we are quite happy with the work they have done, the work that transportation has done, the work of infrastructure, the work that health and education have been able to do with our Pan Am/Parapan Am Kids initiative throughout the entire province, and obviously the work that we do at culture through our—

Mr. Paul Miller: Thank you, Minister.

Hon. Michael Coteau: —but I will turn it over to the deputy to—

Mr. Paul Miller: Minister, I've got your answer that I'm not getting.

Hon. Michael Coteau: Thank you.

Mr. Paul Miller: But let's take the stadium, Tim Hortons Field in Hamilton. The Tiger-Cats, who were losing a million dollars a game, have to get their money back, so Mr. Young and his group have said that—first of all, the city said they weren't involved, and now they say they are a bit. Infrastructure Ontario tells me that the

managing firm—who are overseas, by the way—will pay the Tiger-Cats the losses out of their income.

You've held back \$68 million for completion costs to the subcontractors, I believe, until some things were met. I don't know where that stands now. I know some of the subcontractors are upset that they aren't getting their money, and I don't know where that stands.

The millions of dollars that the Tiger-Cats lost: They're going to come after the government for it, Infrastructure Ontario, because if the contractor decides to leave and can't meet his mandate—we've already had one contractor go under in the building of the stadium, as you know. If the big one leaves—I think he's from Spain or somewhere, or France. If they leave and they don't meet their mandate, what is the government going to do? Are you going to take them to international court to try and get the money? Are you going to seize any assets they have in Ontario or Canada, which I doubt that they have? How are you going to get the million dollars back to Mr. Young? He missed three or four home games that totalled about \$4 million. He's very confident—he hasn't said much, because he knows that he's going to get it off the government one way or the other. The city of Hamilton has said, "Well, we weren't in on it, but maybe we were in on it for a little bit. We're not sure. We have to talk to our lawyers."

How could this happen, that you would allow the millions of dollars that the Tiger-Cats lose in revenue—they've got a contract, by the way, with the city, and the city doesn't sign over until the stadium is completed, so it's on your plate for the money right now. Infrastructure Ontario is who he would go after if he doesn't get the money from the contractor.

What's the status of that?

Hon. Michael Coteau: Well, I'm glad you brought up the Hamilton stadium. I'll get into a few details about how it works with Infrastructure Ontario and the process they put in place to ensure we protect the taxpayers, but I think we need to keep things in perspective here. This is a \$146-million piece of infrastructure that has been built in Hamilton by leveraging these games that are coming forward.

We were having a discussion before we started here. In Hamilton, the last time—well, first of all, the last time we held international gaming events here in Ontario was back in the 1930s; in fact, 1930, the Commonwealth Games. I think they were referred to as the Empire Games. That's when they built that stadium, back in 1930. There was a gentleman named John Fitzpatrick. Do you know him, Mr. Miller?

Mr. Paul Miller: I know all the people in Hamilton.

Hon. Michael Coteau: Well, he's been dead for quite some time—

Mr. Paul Miller: I knew him.

Hon. Michael Coteau: —but he actually was in the games back in the 1930s, and he won a silver, I believe, in the 200-yard. The reason I'm bringing up this story is that he also played for the Hamilton Tigers—I guess they weren't called the Tiger-Cats, but the Hamilton Tigers.

Mr. Paul Miller: There were two teams, the Wildcats and the Tigers.

Hon. Michael Coteau: The beautiful thing about that is that, back in 1930, by leveraging the Commonwealth Games, the Empire Games, they were able to build this stadium. They had Hamiltonians compete. There was another gentleman by the name of Victor Pickard who won the gold in the pole vault—

Mr. Paul Miller: Chair, with all due respect, I don't need a history lesson on Hamilton.

Hon. Michael Coteau: No, but my point is this: The stadium itself—

Mr. Paul Miller: What I want is an answer to my question.

The Chair (Ms. Cindy Forster): Order, please.

Hon. Michael Coteau: The stadium itself has been built through leveraging these games, and the people of Hamilton—

Mr. Paul Miller: What has 1930 got to do with now?

Hon. Michael Coteau: That was back almost 100 years ago, so they had a stadium in Hamilton that was almost 100 years old, and we've been able to rebuild the stadium. They're playing in the stadium now—

Mr. Paul Miller: You waited a long time to build it.

Hon. Michael Coteau: —almost a year before the games start, and we're still getting complaints.

Mr. Paul Miller: You're getting complaints, Minister, because you're going to cost the taxpayer more money.

Hon. Michael Coteau: I want to say that I'm proud of the work that Infrastructure Ontario has done. I'm proud of the work that—

Interjections.

The Chair (Ms. Cindy Forster): Order.

Mr. Paul Miller: It's not on budget. You're going to cost the taxpayer—

Hon. Michael Coteau: I'm telling you that that stadium for Hamilton is extraordinary. It's state-of-the-art. I know you visited the stadium and you were there at the game. Please enjoy the stadium. It's 10 months before the actual games. Be happy.

Mr. Paul Miller: If the taxpayers in Hamilton and Ontario don't get stuck with the bill, I'll be happy.

The Chair (Ms. Cindy Forster): Mr. Miller, question?

Mr. Paul Miller: Moving on, it appears that the secretariat is the focal point for all provincial involvement in the games, so are the transportation costs for the Pan/Parapan Am Games funded from the secretariat, the Ministry of Transportation, the TO2015 budget, or all of them?

As we know, the security costs are ballooning out of control. Where will that fit into your estimates? We don't really know. Like you said, you can't predict, so you don't know the final costs. Now that we have this terrorist threat that may happen, that probably will increase the costs of protection, which is understandable. But I've seen no numbers on that. I've seen no numbers on your additional costs.

Hon. Michael Coteau: I want to make two points, one in regard to transportation; the second in regard to security costs, because those were the two points brought up.

Our original estimate was up to \$90 million for transportation. It's currently estimated at \$61 million, so the \$29 million that we had in that pile is part of the transfer over to the \$74 million. So we're well under budget for transportation, thanks to the great work of our Minister of Transportation.

The second point, in regard to security: I said at the technical briefing—we held three technical briefings and I was there for the third one—that I won't put a price tag on the safety of Ontarians. If we need to protect Ontarians, this government will make sure that it works with the experts, the OPP, to ensure that Ontarians are protected. I think you would agree with me that you have full confidence in the OPP to make—

Mr. Paul Miller: I don't have confidence in your statement. If you recall, at the London Olympics, sir, they had to bring in the militia because the contractors could not do the security properly. The metro police in London, England could not handle it. They called in the army. Are we going to call in the army?

Hon. Michael Coteau: I want to put things into perspective here. Our security costs are budgeted at \$239 million. That's a reflection of the current, up-to-date numbers and a reflection of the games.

He just brought up the Olympics. I want to put in a comparison. The Pan Am Games are much larger than the Vancouver Olympics. For the Vancouver Olympics, the security cost was almost \$900 million. The security cost at the London Olympics was \$1.5 billion. We're at \$239 million, which I think is pretty good, considering we—

Mr. Paul Miller: First of all, for a sports guy, you're incorrect, because the Pan Am Games is not bigger than the Olympics.

Hon. Michael Coteau: It is bigger than the Vancouver Olympics—100% bigger. This is the largest multi-sport games in the history of this country. We will have 41 nations here, 51 different sports and—imagine this—10,000 square kilometres of actual space that has to be covered for transportation and security—

Mr. Paul Miller: When's that happening?

Hon. Michael Coteau: Ten thousand—that's the venues.

Here's the thing: We made a conscious decision not to make this a Toronto event, to make this reflective—

Mr. Paul Miller: Can I move on to the next question? Thanks a lot. I'm getting a travelogue again.

Hon. Michael Coteau: I just want to include Hamilton—

Mr. Paul Miller: All right. Thanks very much. Chair? Next question?

The Chair (Ms. Cindy Forster): Minister, will you wrap it up?

Hon. Michael Coteau: I wrapped it up.

The Chair (Ms. Cindy Forster): Mr. Miller?

Mr. Paul Miller: How can you ensure that the public will know the truth—fair enough; you keep saying every-

thing is great—and the complete cost of the games if, for example, these transportation expenditures do not have a separate line item? Are the community safety costs for the Pan/Parapan Am Games wholly from the community safety budget? Or is it some from the TO2015 budget and/or the secretariat? Are there international trade costs for the Pan/Parapan Am Games, and if there are, from where are they funded? Are there Attorney General costs or aboriginal affairs costs? If yes, follow up each of these with how much.

Hon. Michael Coteau: These are the most transparent games in the history of multi-sporting events. Usually, when you have different games around the world, they're not transparent like the games we provided. We've provided three technical briefings, and every single time we've had an opportunity to present the numbers, we've done it in the most transparent way. These are the first games that are under the FIPPA rules. All salaries and expenses have been disclosed. We've handed over almost 200,000 documents to previous committees. We performed an audit back in 2012, and we've tightened up policies in regard to expenditure.

I believe that these are the most transparent games in the history of any multi-sporting event, and we're quite proud as a government, because we have a commitment to be the most transparent government in Canada. We're going to continue to use every possibility, like these games, to ensure that we continue on a transparent road.

1030

Mr. Paul Miller: Thank you. Another travelogue.

Community safety has an estimated line item change connected to these games of \$4 million—\$692,000 for 2014-15. This is a change from 2013-14. What accounts for this change? Break down these changed costs for me, please.

The Chair (Ms. Cindy Forster): Minister?

Hon. Michael Coteau: Okay. Deputy?

Mr. Steven Davidson: I'll answer that.

The Chair (Ms. Cindy Forster): Deputy Minister?

Mr. Steven Davidson: The total estimated projected cost of security remains constant at \$239 million. What the change that you've just referenced represents is just the difference in cash flow needs from one fiscal year to another. They're spending a different amount of money in one year than they had originally anticipated, but the overall envelope is not changing.

Mr. Paul Miller: You mentioned 239. Was that security you were talking about?

Mr. Steven Davidson: That's the security number, yes.

Mr. Paul Miller: Okay. It's at 239—originally 113, and 239 now. We have this additional threat that has not been dealt with completely yet. You haven't answered me on whether you've signed contracts with the regional police, because that will be additional costs that were not included in your first estimate. Have you signed the contracts with—

Mr. Steven Davidson: In fact, the estimate for those contracts is included in the projected 239.

Mr. Paul Miller: In the regional police budgets and their contracts? Because you're going to have to pay the regional police.

Mr. Steven Davidson: No, the provincial cost.

Mr. Paul Miller: I didn't ask you that. I said: Have you signed contracts with York region, Niagara region, Hamilton regional and Peel regional? Have you signed the contracts? The OPP doesn't have the manpower to cover those venues, and you're going to have local police departments in there. Have you signed those? That will add to your 239.

Mr. Steven Davidson: Those contracts are being negotiated now. They've not been—

Mr. Paul Miller: You answered my question. They haven't been done. Okay; that's fine.

The OPP has over \$40 million in estimate changes to Pan/Parapan 2014 from the year before. What are the total overall estimated policing costs associated with these games? I've asked you—you can't answer that, because you've said you don't have the contracts with the regional police, so you can't answer that question.

We understand from recently announced changes to OPP billing to Ontario municipalities that the municipalities won't be on the hook, according to them, for the OPP duties associated with the games, at least not directly. What assurances can municipalities expect that they won't be left to pay for the OPP overtime staffing costs associated with the Toronto games?

Hon. Michael Coteau: I want to go back to my original point. We work with the OPP to ensure the safety of Ontarians. These games will have a massive footprint in the GTA and the Hamilton area. There is security that will be needed to ensure that people are safe, that our athletes are safe, and that we have a successful games.

I'm going to work with the minister responsible and the OPP and use their expertise as the primary guidance to ensure—

Mr. Paul Miller: But you haven't answered the question.

Hon. Michael Coteau: —that we continue to ensure that Ontarians are—

Mr. Paul Miller: The question was: Will municipalities be on the hook for OPP overtime costs associated with the Toronto games? Will they?

Hon. Michael Coteau: I'll let the deputy weigh in on that.

Mr. Paul Miller: Okay.

Hon. Michael Coteau: In regard to our relationship with the municipalities, the fact that we have 16 municipalities who have contributed and are involved in these games, and the fact that they've been able to leverage these games to build infrastructure—

Mr. Paul Miller: You're not answering the question. You're stickhandling.

Hon. Michael Coteau: We'll get to—

Mr. Paul Miller: Would the deputy minister please answer that? Will the costs for overtime be associated with the municipalities?

Hon. Michael Coteau: Go through the Chair. But I'm answering the question right now.

Mr. Paul Miller: You're not answering the question.

Hon. Michael Coteau: Let me answer the question, and then I'll transfer it over to the deputy.

The fact is that Infrastructure Ontario has been able to work with our municipalities for cost-saving measures. We want to ensure—

Mr. Paul Miller: I've heard that.

Hon. Michael Coteau: —that these games are successful. We want to make sure that the security is in place that's necessary when it comes to transportation, the moving of people at the site locations—

Mr. Paul Miller: Who's paying for the OPP overtime?

Hon. Michael Coteau: I'll get into that.

Mr. Paul Miller: All right. I wish you'd hurry up.

Hon. Michael Coteau: But we need to work with the OPP to ensure that people are safe. I have full confidence and full trust in the OPP to make those recommendations, to make those decisions—

Mr. Paul Miller: So no answer. Okay, let's move on.

Hon. Michael Coteau: I will move over to the deputy now.

Mr. Paul Miller: I have another question.

Hon. Michael Coteau: The deputy can answer that.

Mr. Paul Miller: No, that's no answer. I'm not getting an answer from either one of them, so that's fine. We'll move on.

Hon. Michael Coteau: The deputy was prepared to answer, if you want, Mr. Miller.

Mr. Paul Miller: The deputy is not going to answer me about the overtime.

The Chair (Ms. Cindy Forster): Order.

Mr. Paul Miller: Okay. Part of these new revelations is the extra costs now being assumed for ambulances at event venues. Where there are no case studies or cost analysis done of either recent or comparable games or international events—for example, Vancouver, London, World Cup, Commonwealth, the last Pan Am Games—Pan Am 2015 hired so-called experts. Why do these experts fail in their jobs and still get golden handshakes when relieved of their duties? I'll remind you that the money that they got in severance was also—they were supposed to stay on an extra year, and because they got fired, they left—let go—you gave them almost \$1 million in goodbye money for not doing their job, not completing their mandate.

Who signs these contracts? Who was the person that set this up in the first place? Because they've cost the taxpayers—I don't know how many millions more are out there with deals with other members of the executive committees that are running these games. How many more are out there that we don't see the contracts that are going to come up all of a sudden? "Oh, we forgot; there's another \$5 million in payouts." Answer that.

Hon. Michael Coteau: What I did was, when I was first appointed as the minister responsible for this file, I had a conversation with the chair and I expressed my concern over things, you know, the same types of con-

cerns you have. I asked the chair if he would consider moving a motion at the board to stop any future bonus pays based on this point going forward. They agreed; they moved the motion. So I'm quite happy with that result. From this point forward, anyone—

Mr. Paul Miller: But will it stand up in court?

Hon. Michael Coteau: Anyone hired from this point forward, in their contracts, they will not receive bonuses.

Mr. Paul Miller: So you're going to have a court case now.

Hon. Michael Coteau: No, these are contracts. For people hired—

Mr. Paul Miller: But you're breaking the contract.

Hon. Michael Coteau: No, these are people who are hired from this point going forward, from the time I took over the ministry.

Mr. Paul Miller: How about ones that are already there, I said.

Hon. Michael Coteau: Well, I'm going to let the deputy talk a bit about that.

Mr. Paul Miller: Okay.

Hon. Michael Coteau: But I want you to realize this, that when I came into this position, I took immediate action to contact the chair to ensure that—because Ontarians are very concerned about the way in which their tax dollars are being spent.

Mr. Paul Miller: They are.

Hon. Michael Coteau: The bonus structure that they had in place, that they were hiring—and they're hiring a lot of people as they get closer to the games, as they move from planning to operation. I've asked the chair to stop that practice. The board has moved the motion, passed it, and from my point as minister forward, the bonus incentive is gone from the structure.

Deputy?

The Chair (Ms. Cindy Forster): You have one minute to wrap up.

Hon. Michael Coteau: Would you like to just address the—

Mr. Steven Davidson: Sure.

Mr. Paul Miller: We have one minute left over? You're going to let them wrap up. Okay.

Mr. Steven Davidson: The responsibility for recruitment, negotiating and staffing contracts for staff at TO2015 is, of course, wholly the responsibility of TO2015.

Mr. Paul Miller: Whoa, wait a minute. Right there—stop. You guys oversee TO2015. Their board decides on who—that's why we got stuck with all these big payouts, because they made the decision and you guys didn't do your job and oversee it. They did that on their own, and they shouldn't be able to, because all the money is coming from the taxpayers. You can't separate these groups and say, "Oh, TO2015, Infrastructure Ontario"—it's all tax dollars. You guys should have been overseeing that and been in control of that.

Hon. Michael Coteau: So TO2015—I know the member is well versed in sport process and in how inter-

national games work, but we have three members on this committee. The federal government has three members.

Mr. Paul Miller: Were they sleeping?

Hon. Michael Coteau: The city, the municipalities have three members. You know, this is a joint venture. These are not just Ontario's games; these are Canada's games.

Mr. Paul Miller: Ah, here we go.

Hon. Michael Coteau: We've leveraged these games by bringing forward a bid, and we've secured millions, hundreds of millions of federal money to be invested in places like Hamilton and throughout Ontario. So I'm quite happy with the work that TO2015 has been able to accomplish. Thank you, Madam Chair.

The Chair (Ms. Cindy Forster): Thank you, Minister. Now, Minister, you have 30 minutes' right of reply to talk to any issues.

Hon. Michael Coteau: Is that the process? So 30 minutes to wrap up?

The Chair (Ms. Cindy Forster): A 30-minute right of reply to address any issues.

Hon. Michael Coteau: Can you just explain the process to me at this point forward?

The Chair (Ms. Cindy Forster): The process is, you have 30 minutes to address any issues.

Hon. Michael Coteau: And then what happens after the 30 minutes?

The Chair (Ms. Cindy Forster): Then we go to 20-minute rotations.

Hon. Michael Coteau: Okay. We're going to go over—so the government can ask questions for 30 minutes. Right?

The Chair (Ms. Cindy Forster): If the minister doesn't use the 30 minutes, then that time goes back into the pot of time that's left. Then it will get divided into 20-minute rotations between the three parties.

Hon. Michael Coteau: I was under the impression that—and correct me if I'm wrong—it went 30 and then 30, 30, and then to the government for 30 for questions. That's the impression that I have.

The Chair (Ms. Cindy Forster): The government actually—

Interjections.

The Chair (Ms. Cindy Forster): Excuse me. The government actually ceded their original 30 minutes to the minister to give your opening statement. Then we moved to the 30-minute blocks of time, which was agreed to. Right? So now, if you don't use your 30 minutes, it will go back into the pot of time, and we will go back to the official opposition, we'll go to the third party, and then we'll go to the government, in 20-minute blocks.

1040

Hon. Michael Coteau: So we're at the point where I can speak for another 30 minutes?

The Chair (Ms. Cindy Forster): Correct.

Hon. Michael Coteau: Okay. Then it will go to 20, 20?

The Chair (Ms. Cindy Forster): It will go 20, 20, 20.

Hon. Michael Coteau: Okay.

The Chair (Ms. Cindy Forster): This is your opportunity to address any outstanding issues and questions that may have come up.

Hon. Michael Coteau: Okay. I want to talk a bit about the Pan Am and Parapan Am Games and just let you know how excited I am about 2015 and what we'll be able to do here in the province of Ontario.

I'm going to start off with a little story. About a month ago, my wife and I were sitting down—you know, you go through the process of looking at different types of things, activities for the kids to do as September hits. I'm sure, MPP Dong, you've gone through the same process with your kids. We were looking through the Toronto fun calendar. My daughters take swimming, and we noticed that there was swimming being offered in Scarborough at the new aquatics centre. My wife and I signed the kids up, and it was incredible. I don't know if you've had the opportunity to go to the aquatics centre, but it is a remarkable facility. I really wish I had some images to show members here, because you walk into that space and it's just breathtaking.

The fact that we didn't have an Olympic-sized pool that could officially be used for competition and the fact that we're leveraging it now to have four for Ontarians—even back to the Milton velodrome, the fact that our athletes don't have to travel to California to practise anymore. This is an incredible accomplishment for Ontario.

We signed my daughters up for the classes and it was interesting. We signed up on the computer, and it came back and they said, "Meet in lane 10," which is pretty incredible, because usually they say, "Meet in the pool." My wife took them yesterday to lane 10 and there were about 150 kids taking swimming lessons in the pool. It's such an incredible pool. Mr. Miller, I'd love to take you to this pool to show you around.

Interjection.

Hon. Michael Coteau: You've got a beautiful stadium.

Mr. Paul Miller: Spread it around.

Hon. Michael Coteau: So, in the pool, they actually have a diving area. There are two separate pools. One is for diving and one is the Olympic-sized pool.

Mr. Randy Hillier: Chair, on a point of order?

The Chair (Ms. Cindy Forster): Mr. Hillier.

Mr. Randy Hillier: I know the minister loves storytelling and he's a great storyteller; however, there is a purpose of this estimates committee. There is an obligation of this estimates committee. We are here to examine and scrutinize the estimates for the benefit of the taxpayer. Just as in question period and in debate, debate is to be relevant to the subject at hand and the purpose at hand. I would encourage the minister and the Chair that the storytelling be confined to his ministry and the estimates before this committee, and if he can't find other things to fill up the 30 minutes that are relevant to this committee, that he abdicate that time and let it be shared

with those who have an interest in meeting the obligations of this committee. Thank you.

The Chair (Ms. Cindy Forster): Thank you.

So, Minister, I'm going to be listening carefully and I hope that you'll actually bring the rest of your time back to the estimates and your ministry.

Hon. Michael Coteau: Absolutely. What I'm trying to do here is to create the best illustration possible to show you why the expenditures that we put in place for the Pan Am/Parapan Am Games are beneficial to communities, to Ontarians, and—

Mr. Paul Miller: What happened in lane 10?

Hon. Michael Coteau: He wants to know the rest of the story. Thank you so much.

My daughters got to the pool yesterday, and the pool has a retractable floor for para-athletes. It's an incredible facility. My wife told me that my two daughters were a bit taken aback. They've never been to a facility like that. There were some young athletes practising their diving off of this incredible—probably, I don't know—30-foot or 40-foot structure. My daughter said to my wife, "Can I do that?" My wife said, "Well, if you try." She talked about one of our next-door neighbours who goes swimming and practises every day. She said, "I can do that? I can be in the Olympics one day?" This is my daughter, an eight-year-old, talking to her mother. My wife said, "Yes, you can be in the Olympics if you really work hard and you try hard. Everyone should have the opportunity to do that."

That's exactly what these games are doing. We are providing young children and athletes in this province and across this country—not only Ontarians—with an opportunity to go into a facility that they deserve. They can practise at the velodrome. They can go to many of these facilities and really take part in athleticism here in the province of Ontario.

I want to talk a little bit about the games and some of the accomplishments so far.

I talked about the 75,000 tickets that were requested in the first 48 hours and the 33,000 people who have offered to volunteer for these games.

The 2015 Pan Am/Parapan Am Games is our chance to showcase Ontario's diversity, culture and heritage to the world. The games have triggered investment in new and improved sport and recreation facilities and will serve our communities and athletes for generations to come. We're looking forward to hosting over 10,000 athletes and team officials next summer and cheering our athletes on as they compete right here at home.

I mentioned this in my opening remarks: These games will create 26,000 new jobs. When I was at the athletes' village, I had an opportunity to meet some good union workers who were down there working hard. I met a young man from the Hammer Heads program. I asked a young man, who was maybe in his, if he was lucky, early 20s, "How is this experience?" He said, "Imagine me having basically a bit of a footprint on this new part of Toronto." I asked, "What were you doing before this?" He said he didn't really have a direction. I asked, "Are

you going to stay in the trades?" He said, "Of course I'm going to stay in the trades. I love it. I was just able to buy my new car." I thought to myself, this is exactly the opportunity that's available to these young people—26,000 new jobs, including young people, from the trades, and it will generate \$3.7 billion towards our GDP.

We'll train over 20,000 volunteers during the games, equipping them with valuable skills that they can transfer into the workforce.

I'm proud to state that these games will be the most accessible games in the history of sporting events, period, providing a barrier-free environment for residents, athletes and visitors.

We've always been open, honest and upfront with you. Two weeks ago, I guess, we were here to announce that we were providing an additional \$74 million to the games. This is one of the issues that has been brought up today. We identified savings in the games-related costs of \$45 million to date. This means that we've increased the overall games' investment by \$29 million. Of course, that was not an easy decision to make. Like I said before, we take taxpayers' dollars quite seriously. We're always looking for cost-saving measures.

When it comes to TO2015, we've put an entirely new management team in place. We have a new chair, a former Premier of this province, David Peterson; and of course, the new CEO, Saïd Rafi. We put them in place because we need to ensure that these games are delivered in a very successful and responsible way.

This summer, TO2015 came forward with a request for additional funding in order to finalize the operations of the games. This was the first time—and I think this is—

Mr. Paul Miller: Point of order.

1050

The Chair (Ms. Cindy Forster): Mr. Miller.

Mr. Paul Miller: It was Mr. Rafi he mentioned? Is that the same one that was with the eHealth and the Ornge thing? Is that the same one?

Hon. Michael Coteau: It's not his opportunity to ask questions.

Mr. Paul Miller: I was just wondering—

Hon. Michael Coteau: Please don't interrupt me. I've got to finish my statement here.

Mr. Bas Balkissoon: Chair, this is inappropriate.

Hon. Michael Coteau: Yes, it's completely inappropriate.

Mr. Paul Miller: It could have been—

The Chair (Ms. Cindy Forster): Continue, Minister. You have the floor.

Hon. Michael Coteau: This summer, TO2015 came forward to ask for additional funding, as they moved from planning to operation. It's the first time in the history of TO2015, since it was brought together over four years ago, that they've actually come forward to ask the government for additional funding. My officials, the deputy minister, his team—we looked at the numbers and we went through a very careful analysis. We looked at the numbers, and we were quite confident that TO2015

needed additional money in order to responsibly deliver the games. There is no question that I think that this additional fund was appropriate, and it was necessary.

We've always worked hard to identify savings during the games. We have informed TO2015 that this was the last time—the first and last—that they could come forward for this type of request. I've been on the record saying that there's no more funding for TO2015 from this point forward. I've said that many, many times.

I believe that this province deserves the type of games that we can be proud of. The eyes of the world will be on us next summer, and we expect TO2015 to responsibly deliver a successful games. I'm quite happy and confident with what they've been able to accomplish.

At this point, I think we have—can I just take one second, Chair?

The Chair (Ms. Cindy Forster): Certainly.

Hon. Michael Coteau: There were some questions around the celebration and legacy aspect of the games. I'd like to call one of our assistant deputy ministers forward to present some information in regard to the celebration and legacy of the Pan Am Games, because it did come up a few times and I think it'll be enlightening for all members.

Mr. Steven Davidson: I'd like to introduce Steve Harlow, who is the assistant deputy minister of the Pan/Parapan Am Secretariat responsible for partnership and legacy.

Mr. Steve Harlow: Thank you. I understand that you'd like me to speak a little bit, Minister, on behalf of what we're doing on the legacy, promotion and celebration. Mr. Miller, I had the opportunity to meet you when we were at the Standing Committee on General Government, so some of this you may have heard a little bit before, but I'll try to get to the material before the committee, as it relates to estimates.

One of the first things to understand about promotion, celebration and legacy is it dates back to about 2012 when the government took a look at, and made a decision—what do we want to do to achieve a legacy from the games with different communities? We engaged in a process of consultation with some stakeholders and partners to determine what the different things are that you can do to enhance the games and to give benefits beyond just the delivery of the two weeks. Obviously, the recreational infrastructure and sport infrastructure is a key one. In addition, I guess you would also have to identify the brownfield revitalization that is happening across the province, in the waterfront redevelopment with the village and at the aquatics centre in the Scarborough college campus.

The first process in 2012 was to engage the community. We also looked at what other organizing committees and other jurisdictions have done in relation to making investments that are justifiable, defensible and giving return on investment for the broader people of Ontario. We looked at Glasgow. We looked at what BC did. BC, as some of you may know, had an initiative called BC Legacies Now. One of the criticisms of that was that it

was “legacies then.” It didn't actually leave a legacy going forward for the participants. Glasgow had a very ambitious idea to create a legacy where every 15-year-old child would learn how to swim. It didn't work. The reason it didn't work is that it was just too ambitious; it was too wide. There was no way to force every kid to learn how to swim. London initially had a proposal to reduce the body mass index of every London person. It didn't work. I guess people in London like to eat. But it didn't work.

What we did is take a look at, what are the things that we realistically could do, with limited dollars, leveraging off new investments or capitalizing on existing investments that ministries were already making? One of the things that we knew was that the organizing committee was going to have to recruit, train and educate, in a sense, a volunteer labour force. We know that volunteers are critical to games delivery, so it has to be a rewarding experience, and they have to get something out of it from after the games experience. That will help motivate them. It will help give them new opportunities. They're called difference-makers in most games because they make the difference. They work long hours; they work 10 hours. They do thankless jobs, but they are really the heart of the games.

What can we do to leverage, from a government side and a public policy objective side, with a modest net new investment, to achieve a volunteer legacy strategy? We did a couple of things.

Our colleagues at training, colleges and universities identified that volunteers tend to be in that 16-to-24 age group for games. We also want seniors; we also want other groups. But the 16-to-24, looking across most organizations, is the group that volunteers come from. Those are also university students, a number of them. Training, colleges and universities determined that they could give OSAP loan forgiveness as an incentive to encourage those people who were attending university, recognizing that if they volunteer during that year, they will get loan forgiveness. Of the 32,000 that the minister identified to date that have signed up to be volunteers, we're told 8,000 of those have identified that they'll be seeking OSAP forgiveness. So we've discovered a policy tool to achieve university students, to increase their volunteerism interests, which could be used for other things in the future and other big initiatives.

Another component of the volunteer is accessibility—some 20,000-plus volunteers will be trained on customer service standards: how to deal with people coming from jurisdictions, how to support visitors, how to support the athletes on the field. They'll also be trained in the AODA, the Accessibility for Ontarians with Disabilities Act, on how to treat people with disabilities, how to service people who have accessibility issues. This is the largest accessibility training initiative ever, across the province, for one single initiative. Our hope is that the feedback from this exercise—the training that they get, the new awareness that they're provided—will then give the opportunity for us to use that product as a province

and to give out to all of the other organizations that are putting on festivals and events, whether it's TIFF, which the minister talked about, or whether it's a Caribbean festival or the blues festival—to provide those organizations with the same training module so that more and more people can learn about accessibility and serve people with accessibility needs.

The minister spoke a bit about the CSIO, which is a facility out at Scarborough college campus. The games—and a legacy of the games is the realization of a 30-year vision of the Canadian Olympic Committee, the Canadian Paralympic Committee and sport in Ontario, that started with the original 1996 Olympic bid, to have a CSIO.

BC has a Pacific sport institute. A legacy of the Calgary games is the Calgary sport institute. A legacy of the Montreal games, notwithstanding some of the other legacies left behind, was a Quebec sports institute.

Ontario, with the largest population, does not have a sports institute to develop our high-performance athletes. We are misrepresenting on participation of population versus athletes. We're not carrying our weight, some would say, in the high-performance community. The way you carry your weight is by investing in a high-performance sport facility.

In the estimates and in the commitments that the government made to support high-performance sport, of the \$42 million, \$8 million has been allocated towards the development investment of the Canadian Sport Institute Ontario, which is at the facility being built at the University of Toronto Scarborough college campus.

The amazing thing about this facility—and it is truly amazing to actually witness it; the minister is right—is it's the first facility built anywhere in North America, again, that is fully accessible. A person can come in on their wheelchair, into their workstation, into their body-building station, without leaving the wheelchair. They can move into the pool. There's no lever; there are no rises; the pool is flatlined. The elevators are built wide enough to accommodate basketball wheelchairs. Just so you know, most wheelchairs for accessibility are built like this. Basketball wheelchairs are built like this. Elevators don't normally build the design to accommodate. Every room, every access point, is accommodated to enable high-performance para-sport development. At that facility, we currently have a wheelchair basketball academy from across Canada. I was there last week in my sport capacity. There were 11 participants from Quebec, Alberta, BC and Saskatchewan at the new national centre for wheelchair basketball for Canada. Every week, there are people from across Canada training at this facility, and I would be so bold as to suggest that's a legacy from the games that wouldn't otherwise have happened.

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I should also mention the brownfield revitalization that happened at this facility. This was a former landfill site at the University of Toronto Scarborough college campus. It was put into non-economic use for 40 years. The decision to build this facility here has unlocked the

economic potential. As Mr. Miller was talking about economic analysis, similarly the revitalization of the waterfront and the urban revitalization that happened there has unlocked the rest of the waterfront development potential from an economic impact perspective, so future redevelopment of the lands along the port lands and waterfront.

I'd also note that one of the things we discovered in doing our analysis of jurisdictions: How do you reach the rest of Ontario? How do you connect all of Ontario so that there's a benefit associated with the games? Again, one of the big economic opportunities we saw to give a return on the province's investment was to complete the Trans Canada Trail across Ontario. The trail is an economic generator across the province. It's in every community. It's a way to connect all Ontarians to the games through a single initiative. So for an investment of about \$3.5 million, the Ontario government partnered with Trans Canada Trail Canada and the municipal level, and as a result of the games and part of our promotion, celebration and legacy strategy, we now have 95% complete—with 11 kilometres to go, I'm told—in completing 250 kilometres of gaps across the Trans Canada Trail. So for the first time ever, as a result of these games, in 2015 you will be able to travel uninterrupted from Windsor to Ottawa on a single trail, and up to Huntsville as well.

Also, I saw in the mandate letter from the minister a commitment to introduce trails legislation, to make trails stronger and safer. That will equally be a contributing component of the legacy of the Pan Am Games.

I'd also—

Mr. Todd Smith: Chair, how much time?

The Chair (Ms. Cindy Forster): About eight minutes.

Mr. Steve Harlow: Okay?

The Chair (Ms. Cindy Forster): Go ahead.

Mr. Steve Harlow: I would also say that of those investments I've talked about—\$8.5 million roughly for the aquatics centre for a legacy; \$3.5 million for the trail—another big investment will be an opportunity to showcase Ontario during the games. In BC, for those of you who remember the BC Olympics, all of the provinces and territories came to British Columbia and showcased themselves in a bunch of different ways. We've allocated a portion of the money that we've invested from the promotion, celebration and legacy strategy to create a celebration zone during the games. It will be free; it will be accessible to the public; it will showcase Ontario talent. As of today, six provinces have signed on to be part of the celebration zone and want to come here to Ontario and to the celebration zone during those sessions. It will be for the entirety of the Pan Am and Parapan Am Games, over the period of July and August 2015.

That's an opportunity for Ontario tourism organizations to promote their tourism opportunities, so when tourists are coming to the celebration zone they'll learn about where they can go see the Royal Botanical

Gardens, or they can go up to Dundurn Castle, or they can go up to the north, to Sudbury, the Big Nickel—whatever places they want to go. It will also be an opportunity to support Ontario's Live Music Strategy. We will have live music on the stage, featuring Ontario musicians and artists. We will use the opportunity, as we did in BC, to feature Ontario craft brewers and Ontario wineries. So trying to align the business objectives of the province and the promotion of tourism opportunities at the celebration zone is a big effort and represents \$7 million of our \$42-million legacy strategy.

The other element, if I could, that I'm particularly proud of is that I wear two hats in my portfolio. I'm the assistant deputy minister for partner engagement and legacy in the Pan Am Games. I'm also the assistant deputy minister for sport, recreation and community programs in the Ministry of Tourism, Culture and Sport. One of the initiatives that we launched as part of the promotion and celebration legacy strategy was something we called Pan Am Kids. Pan Am Kids is about a \$3-million combined partnership with the Ministry of Education, the Ministry of Tourism, Culture and Sport, and the organizing committee. So for the first time ever, what we did is create a physical literacy tool to enable kids to learn how to do proper physical literacy and movement. It's movement skills. It's learning how to properly kick, throw a ball, hop, jump, run—all the fundamental movement skills. As a result—we've done evaluations, so it's not economic analysis; it's analysis of program delivery successes—we've seen a 4.5% increase in physical literacy awareness of school-aged kids. That's never happened before in any program ever developed by any ministry or any partner. We recently had an international delegation and gave them a presentation on it, and they think this is cutting-edge programming around the world in terms of what's being developed. It was developed with PLAY Sports Canada, it was developed in partnership with the Ontario Public Health and Education Association—OPHEA. It's the first time we're actually having the same programming, the same curriculum, that the schoolteachers and school providers are teaching kids in schools, being taught by after-school providers in priority neighbourhoods. Those kids are learning the same skills, the same programming and the same activities.

The organizing committee is partnering with it by having activity days. They're going into communities that want to do activity days and using those same skills for fun days and activity days. Some 20,000 kids have gone through it in our after-school programs. This fall, every high school, primary school and aboriginal school in this province has this tool and is using it, and over 400 summer camps have utilized the program this summer. It's a very unique proposition. I think we're also looking at how to maintain it in the longer term, in order to continue to get these results, and we are working on that.

I would offer, at a high level, that those are some of the things that I can speak to this committee on as it relates to promotion, celebration and legacy. I'm happy to expand on anything else I could.

Minister, I turn it back over to you.

The Chair (Ms. Cindy Forster): Minister, you have about three minutes.

Hon. Michael Coteau: Okay. I just wanted to clarify something. There was a question around additional OPP overtime—if it was included in the \$239 million. The answer is yes.

I made a statement saying that they've leveraged over \$100 million in corporate sponsorship. I believe under 4% of it is government. I think Trillium, for example, has put in a small piece, so there is a small, small percentage. I just want to make sure that those two pieces are clear.

Are you happy with that answer—the 239?

Mr. Paul Miller: I'm never happy.

Hon. Michael Coteau: I wanted to thank the assistant deputy minister for those comments.

I just again wanted to talk a little bit about the opportunities that are brought here to Ontario through bringing forward these games. We hope that the legacy of these games, for years to come, will allow for different athletes to use the venues.

I know that—I mentioned them in my opening remarks—there are other sporting events that can now be brought into Ontario that wouldn't be here because we didn't have the facilities. We're quite happy with the fact that we'll be able to use these existing infrastructure facilities and venues to leverage more games in the future.

The fact that we're going to have over 20,000 volunteers trained in accessibility training and different types of safety training—many different types of training—they can take that and use it in the future to assist in businesses and not-for-profits. There will also be, out of our legacy program, a volunteer database that will be created. Actually, it's being created currently, and the volunteers will receive a certificate that they can use when they apply for positions.

There are so many things that I think are wonderful: our Pan Am/Parapan Am Kids project, so many legacy pieces, the trails—imagine, the first time in the history of this province that the trail system in this province is going to be connected from Windsor all the way to Ottawa. You can start in Windsor and make your way all the way through to Ottawa. This is a pretty extraordinary accomplishment, and it has all happened because of the fact that we have leveraged the 2015 Pan Am and Parapan Am Games.

We're quite happy with what we've been able to accomplish, and I hope that every single member here has the opportunity to participate in the games next year.

The Chair (Ms. Cindy Forster): Thank you, Minister.

We'll move to the official opposition.

Mr. Todd Smith: Thank you very much, Chair, and thank you, Minister, for cheerleading over the last half-hour. I know that you're very good at that. While there will be a legacy, there will be a positive one, and there certainly is going to be a negative legacy as well.

It's astonishing to me, quite honestly, that members of the government side—the Liberal government—have passed on asking questions on a Pan Am Games budget

that has gone from \$1.4 billion to \$2.5 billion. It's amazing to me that the members of the government side have no questions on how that money is being spent.

I know that Paul Miller from the NDP has a lot of questions; I certainly do as well. If we could get quick responses to the questions, because I do have many that I would like to get through, Minister, that would be appreciated.

I just want to know, first of all: How many of the 25 venues are currently fully completed? How many of the 25 for the games?

Hon. Michael Coteau: Seven.

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Mr. Todd Smith: I apologize, because I may touch on some of the areas that Mr. Miller touched on earlier.

Seven of the venues are currently completed.

Hon. Michael Coteau: Seven, and 11 will be finished by the end of this year, and 97% of capital budget—so we are well-positioned to have all of our venues ready for the games. Like I said—

Mr. Todd Smith: The stadium in Hamilton: Would that be one of the venues that you say is currently completed?

Hon. Michael Coteau: They're using it now.

Mr. Todd Smith: But is it complete?

Hon. Michael Coteau: Well, it's 97% complete.

Mr. Todd Smith: Would you say that stadium was on time and on budget?

Hon. Michael Coteau: Yes.

Mr. Todd Smith: You would say that stadium is on time and on budget.

Hon. Michael Coteau: I would say that, if you look at it from the games perspective. Again, let's keep things in perspective, guys. The Tiger-Cats played in the stadium, and we're 10 months prior to the games.

Mr. Todd Smith: But why set these targets as to when you're going to complete the venues if you have no idea as to whether or not you can meet those goals? Why set these targets when you have no intention of actually meeting those targets? Then you say that you're on time and on budget when clearly you're not.

Hon. Michael Coteau: If you look at international sporting events around the world, infrastructure is usually the number one issue. I know in Brazil it was an issue, and other places.

We're \$50 million under budget in infrastructure costs. We have facilities that the opposition is complaining about that are actually in operation and that are actually hosting games—

Mr. Todd Smith: Okay. Just let me stop you right there, Minister. That's great.

Hon. Michael Coteau: —and we're still—

Mr. Todd Smith: Let me stop you right there, because I just—

Hon. Michael Coteau: —and we're still many, many months prior to the games.

Mr. Todd Smith: You did say—

The Chair (Ms. Cindy Forster): Order.

Mr. Todd Smith: I'm trying to follow up.

The minister did say that the Hamilton stadium was on time and on budget. We all heard that. Right? But on July 21, when we were sitting in the Legislature, the minister said, "Six of those venues have suffered some type of delay.... The reason I gave last week" was "in regard to the weather, but we went through a very cold winter; we had an ice storm."

Is a cold winter not something that you would account for in your time frames, considering that we are here in Ontario? Is winter something that we should be accounting for?

Hon. Michael Coteau: Let me correct my statement. The venues, in general—most of them are on time and on budget; \$50 million under budget as a whole. The Hamilton stadium did suffer some delays. But guys, this is eight or nine months prior to the games and it's operational.

Mr. Todd Smith: It's not fully operational, Minister. There was a venue—

Hon. Michael Coteau: We can go back and forth about—

Mr. Todd Smith: The first concert was just there last weekend. Keith Urban was playing in Hamilton and they couldn't use the entire stadium for that venue. These are having an impact on those who use that stadium. So when you sit here and say that the venues are on time and on budget, it's not credible and it's not believable.

Hon. Michael Coteau: Let's go back: almost \$150 million invested in Hamilton. They have a brand new stadium. We're many months away from the actual games taking place. We rebuilt this stadium. We leveraged it for the Pan Am and the Parapan Am Games. I think we should be very proud of the fact that here we are and there are CFL games being hosted on the site several months prior to the actual games. I think that's an accomplishment.

Mr. Todd Smith: But over budget and not on time.

Hon. Michael Coteau: Not over budget—remember, I said \$50 million below budget for our infrastructure, which you guys seem to forget.

Mr. Todd Smith: Okay, let's move on, then, Minister.

Hon. Michael Coteau: You said I am cheerleading—

Mr. Todd Smith: Let me ask you this, then, because I only have 20 minutes, Minister.

Hon. Michael Coteau: You said that I was cheerleading—

The Chair (Ms. Cindy Forster): Order.

Mr. Todd Smith: Chair, I only have 20 minutes, so I would like to ask some questions. I have many to get through, Minister.

Hon. Michael Coteau: —the points you made. So if you ask me a question—

Mr. Todd Smith: What I want to know, Minister, is—

Hon. Michael Coteau: I think I should have the opportunity to answer the question, Madam Chair.

Mr. Todd Smith: Minister, can you guarantee that the 25 venues for the Pan Am/Parapan Am Games won't end up like a patchwork, like Tim Hortons Field has in Hamilton? Will the venues be ready in time for the games

in July? That's a simple question. We want to know, will the venues be ready for the games?

Hon. Michael Coteau: All of the venues will be ready prior to the Pan Am/Parapan Am Games; yes, 100%.

Mr. Todd Smith: You were going to have a number of test trials, testing that's going to be done at all of these various venues. I know in the case of the velodrome, those tests have been cancelled because they know that facility isn't going to be ready in time. This is the facility in Milton where they brought in Russian lumber from Siberia instead of using Canadian lumber. This is a venue that has had the time trials cancelled—the testing cancelled. Can you guarantee, Minister, that these venues are actually going to be tested before the games begin, or are we going to be flying by the seat of our pants like we have with TO2015 for the last several years?

Hon. Michael Coteau: I want to go back to my original statement that all of the venues will be ready for the games and we are \$50 million under budget. This is a huge accomplishment for the province of Ontario—

Mr. Todd Smith: The credibility is lacking when you make that statement, Minister. The credibility is lacking when you make that statement.

You said last week, Minister—

Hon. Michael Coteau: Madam Chair, please, can I answer the questions here? I have experts in regard to testing who can weigh in on the issue, and I'd like to bring some clarity to this specific issue, but for obvious reasons, it seems as though they're making statements and are not really concerned about the answers here. I'd like to answer the questions, so I'd like to turn it over to our deputy minister to answer the question around the testing sites, because we've got a great answer for you.

Mr. Han Dong: That was a good question.

Hon. Michael Coteau: Yes, it's a legit question. I thank you for the question. Let's turn it over to the deputy.

The Chair (Ms. Cindy Forster): It's up to the member.

Mr. Todd Smith: I'm not interested, thank you. I'd like to move on.

Hon. Michael Coteau: You're not interested in the answer?

Mr. Todd Smith: I have a better question.

Interjections.

Mr. Todd Smith: Minister, on July 21—

Interjections.

The Chair (Ms. Cindy Forster): Order.

Mr. Todd Smith: You know, it's funny that the members of the government have all kinds of input now but they weren't interested in providing any input when they had the opportunity earlier.

Interjections.

The Chair (Ms. Cindy Forster): The member has only 20 minutes, so it's his opportunity to actually make statements and ask questions.

Mr. Todd Smith: So let me pass this quote along, from July 21. You said, "Our venues will be finished almost a year before the games." Yet, in this technical

briefing, just last week, on September 23, you detailed that 11 won't be finished until the fall of 2014 and another seven venues won't be finished until 2015.

Minister, do the completion dates that you've officially told members of the Legislature have any meaning or are you saying one thing and doing another?

Hon. Michael Coteau: I don't know—is that from the Legislature?

Mr. Todd Smith: You said it.

Hon. Michael Coteau: Is that from the Legislature?

Mr. Todd Smith: July 21, yes.

Hon. Michael Coteau: I remember, I think, on that exact same day when you asked me the question, you said that no one in Ontario is going to be cheering for these games. I think you're absolutely wrong about that. I think that people in Ontario are proud of what we've been able to accomplish. We stand behind our athletes. We're building the infrastructure for the next generation of athletes and we're proud that we've been able to leverage the Pan Am Games to really build on the legacy of Ontario. So people really are cheering for these games; people are proud of the Pan Am Games here in Ontario.

Mr. Todd Smith: Chair, several times today the minister has compared the Pan Am Games to the Olympic Games. There's no comparison between the Pan Am Games and the Olympic Games. These are tier-two games that we're having here, Minister, and the money that you are spending is overwhelming.

Hon. Michael Coteau: You go and tell those athletes in Scarborough that I saw—they are practising every day—that these are two-tier games. You should be ashamed of yourself for making—

The Chair (Ms. Cindy Forster): Order.

Mr. Todd Smith: You have no idea of meeting these budgets.

The Chair (Ms. Cindy Forster): Order.

Hon. Michael Coteau: These are athletes who are going above and beyond to make sure that they represent this country so they qualify for the Olympics.

The Chair (Ms. Cindy Forster): Minister, Mr. Smith has the floor.

Mr. Todd Smith: Let me move on to a different line of questioning, considering that I don't have a whole lot of time. Minister, let's take this back to March 17 of this year. Your predecessor, Minister Michael Chan, said in the House, "At the technical briefing last week, we were delighted to announce the TO2015 forecasted budget decrease from \$1.441 billion to \$1.392 billion, a savings of \$49 million." Yet nearly six months later, you announced that TO2015 would get \$74 million more than was originally budgeted for. Since March, TO2015 has needed an extra \$123 million more than thought. Minister, will you come clean and admit that this is a \$123-million increase in the budget since March of this year?

Hon. Michael Coteau: It has been an extraordinary experience for me over the last three months—

Mr. Todd Smith: I'm sure it has.

Hon. Michael Coteau: —to take on the largest multi-sporting event in the history of this country, and to really leverage it to support our athletes.

We have details in regard to the \$74 million, and the deputy would be happy to walk you through those numbers to illustrate—

Mr. Todd Smith: Okay. This is my question, then: What happened between mid-March this year and mid-July this year, when you were saying that these games were on time and on budget? Coincidentally, on the day that the Lieutenant Governor was being sworn in here, why did you choose that day to go out and announce that you were bailing out TO2015 with another \$74 million? And oh, coincidentally, MaRS bailed out to the tune of \$303 million that day—on a day when I know that your government probably hoped the media was distracted.

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That's almost \$400 million that day that went out in bailouts. What happened between March of this year and last week that required an extra—well, let's be honest, \$123 million more?

Hon. Michael Coteau: What I can tell you is, since I took over the role as the minister responsible for this file, we've presented a technical briefing to the public, to the media, that allocated an additional \$74 million to these games. I was quite comfortable moving forward in the direction to allocate those funds based on the information that I received from the ministry and from TO2015. We need to ensure that these games are conducted and brought forward in a very responsible way. For example, we know the \$74 million contributes to volunteer training. We anticipate an additional 5,000 volunteers needed in order to carry out these games.

Mr. Todd Smith: Minister, thank you. But I want to know what happened, because the minister, your predecessor, Michael Chan, actually told the Legislature that the games were on time and on budget. Was he not telling the truth?

Hon. Michael Coteau: I can only tell you—

Mr. Todd Smith: Was Michael Chan not telling the truth?

Hon. Michael Coteau: I can only tell you, within the last three months, as the minister responsible for this file, what I've been able to do is to bring forward a very transparent process to explain why we needed to allocate an additional \$74 million to these games, and I was very comfortable with the decision and I stood there in front of media. You're suggesting that we've kind of hidden this under the rug—

Mr. Todd Smith: Yes, I am.

Hon. Michael Coteau: —well, we had a large presence of media. We had well over 50, 60 people in that room, maybe 100, present when we made the announcement. It was in every paper. It was on the radio. This was a very transparent process. I can go through the transparency measures that we've taken, but I was quite proud of the approach we took and the fact that we are here to support our athletes and support the next generation of athleticism in this province.

Mr. Todd Smith: Okay, thank you. Mr. Miller touched on this earlier. He talked on the announcement last week—

Hon. Michael Coteau: Pardon? Who is this?

Mr. Todd Smith: Mr. Miller, this wonderful gentleman here who was questioning you earlier.

Hon. Michael Coteau: My good friend Mr. Miller.

Mr. Todd Smith: I can introduce you later.

Last week, you announced that your projections for sponsorship have come in under budget, that you didn't hit the targets that you expected that you would. Last week, and I'm paraphrasing here—maybe you can give me the exact quote—you said, "This is the first and final time that TO2015 is going to come to us hat in hand"—something to that effect. Right?

Hon. Michael Coteau: Yes.

Mr. Todd Smith: Close enough?

Hon. Michael Coteau: Close enough.

Mr. Todd Smith: But at the same time, you said, "But we've got this \$30 million over here, just in case you don't hit your budget projections for sponsorship." So you're setting it up to do it again.

Hon. Michael Coteau: It's part of the \$74 million. The \$30 million is part of the \$74 million. When I say \$74 million, I'm including that \$30 million.

Mr. Todd Smith: So they're going to get another \$30 million?

Hon. Michael Coteau: No. I've allocated \$74 million to the budget, and I've put conditions on \$30 million, saying that my expectation is that you reach these targets and if you have to access the \$30 million, you need to come back and talk to us.

Mr. Todd Smith: Okay. Let's move on. I have only a little bit of time left.

Back in mid-2011—that was prior to our election, actually; neither of us were sitting at the time—PricewaterhouseCoopers LLP did a report on the Pan Am Games. It was all about revenue, and it was a very detailed report. The report states—this is a quote from the report—"There appears to be significant risk in TO2015 being able to secure the number, level and price of sponsorships contemplated in the business plan."

Will you admit that your government intentionally set a lofty revenue target to reduce the overall budget costs and then stuck to it, knowing over three years ago that this target was going to be unachievable, as according to this report from mid-2011.

Are you aware of this report, Minister, first of all?

Hon. Michael Coteau: Deputy?

Mr. Todd Smith: Are you aware of this report from PricewaterhouseCoopers?

Hon. Michael Coteau: I'm aware of the report, but throughout the technical briefings, we've always identified and acknowledged that as a potential risk. As you're building a budget, from 2008 as a bid moving forward, you're always—this is a working budget based on something we've never done in this province. We've never held these types of games. A lot of the numbers—the original security cost was put forward by the OPP, and obviously that has changed.

Mr. Randy Hillier: In 1930, we did.

Hon. Michael Coteau: Yes, 1930, but it wasn't at the scale of this. These are the largest multi-sport games, and not a tier 2; I would say the third-largest multi-sport games in the world after the Asian Games and the Olympics. So let's—

Mr. Todd Smith: Okay, let's go back. Let's go back to the—

Hon. Michael Coteau: Let me go—

Mr. Todd Smith: Let me go back to the PricewaterhouseCoopers report.

Hon. Michael Coteau: Let me answer the question. We've had—

Mr. Todd Smith: Chair, I only have a few minutes left, and I would like to get to this.

Interjection.

Mr. Todd Smith: No, I'm going to ask you another question; I'm moving on. Thank you, though, Minister.

On slide 142 of that PricewaterhouseCoopers report, it provides a detailed list of potential risks, ranked in order of urgency. Under high risks, the report lists that satellite villages increase costs, travel times to venues are not acceptable, and also a major shortfall in sponsorship revenues. Your government has known about these risks for a long time, and they did nothing to mitigate them. Instead, what you've done is actually allow TO2015 to come to you with hat in hand begging for more money, and you seem very willing to hand over more money. I want to know: How many more times is TO2015 going to be able to come to you begging for more money?

Hon. Michael Coteau: I'm going to say this again, and I've said it many times. TO2015 has approached me one time as the minister, and this will be the last time that they approach me. I will not allocate any additional money to TO2015, and you can quote me on that.

Mr. Todd Smith: Okay, thank you. We will, for sure.

Let's move on here to Friday—it always happens on a Friday that the government announces that somebody else has been fired and there has been another big payout. Right? On Friday, two more executives were dismissed from TO2015 to the tune of \$620,000. This comes just a couple of days, as we alluded to earlier, after the big bailout to TO2015. Do you think it's fair for an over-budget agency to then turn around and hand out golden parachutes to games executives after you've just bailed out TO2015 a couple of days earlier? Does that make good sense to you?

Hon. Michael Coteau: Yeah—

Mr. Todd Smith: It does? He said yeah.

Hon. Michael Coteau: No, I didn't say yes.

Mr. Todd Smith: No, you did say yes.

Hon. Michael Coteau: I was talking to the deputy. Okay?

Mr. Todd Smith: Okay, answer the question, please.

Hon. Michael Coteau: Let me answer the question. When I was appointed minister, I contacted the chair of TO2015, Mr. Peterson, and I asked him specifically if he would consider moving a motion to stop bonuses at TO2015 for anyone hired. They moved the motion—

Mr. Todd Smith: Okay, so let me stop you right there.

Hon. Michael Coteau: Hang on. I'm going to pass it over to the deputy, but I want to be clear—

Mr. Todd Smith: No, no. I don't want to hear it from the deputy. I want to hear it from the minister, and this—

Hon. Michael Coteau: No, it's not—

Mr. Todd Smith: This is my question, because you just said it. It's a follow-up to what you just said.

Interjections.

The Chair (Ms. Cindy Forster): Order.

Interjection.

Mr. Todd Smith: It certainly is. It is. It's my right to ask you questions.

Hon. Michael Coteau: And it's my right to ask the experts to help bring forward the information.

Mr. Todd Smith: I want to hear it from the minister responsible for the Pan Am/Parapan Am Games. Minister, despite the evidence, will you not admit that the games are both over budget and past scheduled completion dates? We've got 63 Pan Am executives that are scheduled to receive bonuses—it might be a couple less now, but we have over 60 Pan Am executives that are scheduled to receive bonuses up to 50% of their annual pay for delivering the games on time and on budget. Are they still on track to receive those bonuses? These 63 or 61, whatever's left: Are they still on track to receive those bonuses despite the fact that we already know the games are over time and over budget?

The Chair (Ms. Cindy Forster): Minister, you have one minute, and then the 20 minutes are up.

Hon. Michael Coteau: I would like the deputy minister to speak to that, but before he speaks to that, I need to frame the work that TO2015 has been able to accomplish over the last few years. The fact that they have saved taxpayers \$50 million through working with Infrastructure Ontario, to me, is astonishing. The fact that transportation has been able to save \$29 million—astonishing. The fact that we're building all these new venues and some of them are operational today—and we're talking about a year before the games actually get here. So I'm very proud of the work that they've been able to do. I have full faith, and I'm 100% committed to ensuring that TO2015 is able to deliver these games in a responsible way and that—

The Chair (Ms. Cindy Forster): Thank you, Minister. Your time is up. We'll move on to Mr. Miller.

Mr. Bas Balkissoon: Madam Chair, before we move on, a point of order.

The Chair (Ms. Cindy Forster): Mr. Balkissoon.

Mr. Bas Balkissoon: Madam Chair, I just want to clarify procedure. If a member asks a question and the minister would like someone from his staff to answer that question, is that not the minister's prerogative?

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The Chair (Ms. Cindy Forster): Yes, it is.

Mr. Bas Balkissoon: Okay. I just wanted to make sure, because this has happened several times, and the minister is being cut off when he tries to get somebody to answer the question. I expect that we can have dialogue, but it should be a little civil.

The Chair (Ms. Cindy Forster): Thank you.

Mr. Miller?

Mr. Paul Miller: Thanks. Back again. Minister, it would be my understanding that, when the games initially started and we were planning for the games, the organizing committee signed contracts with all these people—"experts," as you call them—who were going to fulfill their mandate and stay on for an extra year, I believe, to fill in any gaps or to take care of any things that had to be dealt with in the year after the games.

The organizing committee, as you have admitted, didn't meet their targets for sponsorship, yet in 2011, the committee paid Louise Lutgens—then responsible in her job for external affairs and outreach, which I would assume was getting sponsorship and doing these types of things—\$215,000 for annual compensation, and I don't know what other writeoffs she had. Now we learn that she received another \$300,000 in severance, having been let go in March, I believe.

Why did this woman, even after you've talked to them and said, "No more of that," receive \$300,000? She did not fill her mandate. She did not stay the extra year. She got an additional \$300,000, which took her to half a million dollars or better in wages.

But the funny part about it, Minister, is that you are working hand in hand with TO2015, Infrastructure Ontario and all the other ministries. That would be a fair assumption. You said to me earlier that you had two or three people—from the feds, from you guys, from wherever—sitting on when these decisions are made. You weren't there, but did anyone at the time think that these negotiated contracts were outrageous?

Do you know that the Premier of the province of Ontario makes \$220,000 a year on a \$126-billion budget? This woman got \$515,000 for not completing her job, not doing enough to do her job, yet we paid her out. I want to know who the people are who sign these contracts with these people. Who authorized these contracts? Because someone had to say okay. Whether it was your predecessor or a deputy minister, someone had to work with Infrastructure Ontario.

They keep telling me that TO2015 was a separate body that made decisions on their own committee. Baloney. It's taxpayers' money. I don't care how you wrap it up and put a ribbon on it; it was taxpayers' money, badly handled.

Now you've said, "Okay, there will be no more of that," but as my colleague and the member pointed out, there are still probably 60 or 70 people who signed those original contracts, which are going to cost us even more money if they do their full year or if they leave early and get compensation.

You've set a precedent. Just because you had a meeting with people and said, "No more"—how are you going to stop them from receiving what they did? You can't, because they'll sue the government in court, and they'll get—this is not part of your estimates. This is not included in the numbers you've given me. That's just one thing.

The second thing—this all revolves around costs. You're kind of misleading us with the transportation thing. I haven't seen any changes out there. There has been a little bit of roadwork in Toronto; I haven't seen anything in the Hamilton area, and nothing around the other areas for roadwork or transportation set-up. I've seen nothing.

Now you're telling me that there has been talk—I don't know where, because I'm not privy to that—of satellite villages which are going to keep athletes in the areas they're dealing with, whether it's Hamilton, Milton or whatever. What is that going to cost, and where are you going to put them up? Are you going to put them in hotels? Universities? Where are you going to put them? Are you going to build more housing for them? What are you going to do? That is not included in here, because you don't know the final costs of that.

That's why they call this committee "estimates," but estimates are just estimates. They're not final numbers. When you sit there and tell us, "I'm not giving any more money to TO2015. That's it. No more. You're done. Finished," it's not true, because you aren't finished with them. You've got all those outstanding contracts, you've got all the costs for transportation, and I don't even want to touch security, because that's going to skyrocket from the \$238 million that you've forecast will be included. It won't, because you haven't signed those contracts with the regional police. So we're nowhere near the final outcome for this.

What is your answer to all those concerns which are around money—paying people large contracts and severances? I'm sure there's a ton of them just waiting in line to either be fired, let go or happily leave on their own with their little gift packages. What do you say to that?

Hon. Michael Coteau: Thank you, Mr. Miller. There are four parts there: first, bonuses; second, traffic; third, satellite village; and the fourth was the OPP and the overtime and municipal contracts.

I'll start with the bonuses. I wasn't even elected back in 2011, so I can't tell you what happened in 2011. But what I can tell you is that a few months ago, I took the initiative to ensure that no more bonuses would be attached to contracts, moving forward.

In regard to the OPP, I did state that the overtime for OPP is all brought into the \$239 million. The \$239 million is our best estimate of what the security is going to cost during the games.

In regard to the traffic and the satellite village, the deputy minister will answer those questions.

Mr. Steven Davidson: On the transportation planning, which of course is being led by the Ministry of Transportation: At the March technical briefing—the second of the three—on that day, the government released the strategic transportation framework, which set out the big building blocks. Subsequent to that, what's been happening is the Ministry of Transportation has been negotiating with local municipalities around local transportation delivery plans. The really detailed operational planning is under way and coming to conclusion now. All of the cost

of that is within the \$61-million current transportation budget.

Mr. Paul Miller: Okay, stop there. So what you're telling me now is there will be no additional—you've included the security and everything, you're telling me. It's all included. So you're telling me—I want you to state this publicly—that there'll be no additional costs for security for the Pan Am Games, transportation for the Pan Am Games, building and residence for the athletes, and also severances? This is all taken care of? I won't have to worry after today about all those other things?

Hon. Michael Coteau: I'll answer that question. I've been very clear in regard to security costs. I've been very clear in regard to bonuses. I've answered those questions already.

Mr. Paul Miller: I'm not quite sure you answered them to my satisfaction, but you did answer something.

Once again, in your answer, in one of your comments on the four questions I asked, you told me—I believe you said it, Deputy Minister—that the regional police departments' costs are included in the \$238 million. Did you not say that? You haven't signed contracts with them yet.

Mr. Steven Davidson: No, but the projected costs of those—

Mr. Paul Miller: Projected. Well, in my short lifetime, I've had estimates; I've had projections; I've had crystal balls; I've had all kinds of things pass by my desk. At the end of the scenario, I remember the Big O. I was old enough for the Big O in Montreal. Do you know that the Quebec people and the government of Canada, I think, paid it off this year? What year was that? 1976. So don't sit here and tell moi that everything is on budget, everything is on target, because moi will be back to tell you that it's not happening.

I'll tell you right now, Hamilton alone has been a fiasco. Did you know, Minister, that they had to call the ironworkers back in to beef—I'm a tradesman. I know guys in the local. They had to come back and beef up the superstructure before the first game the Tiger-Cats played, because it wasn't done properly. Did you know, Minister, that the cement work at the stadium had to be torn out three times because it wasn't good enough to support? There wasn't enough rebar in the cement to support the weight and what they call the wave action of the crowd. That wasn't done properly. We had a fire three weeks ago in the control room of the stadium, which cost \$30,000. It has been one thing after another.

As pointed out by the member—what are we now, close to October?—last weekend, we had a big Keith Urban concert. They couldn't use the west stand because it's not done. It's not structurally sound. They have to do additional.

I had an engineer call me up—I won't say who he was; he's one of the head engineers on the project—saying that I was being negative, that I didn't know what I was talking about. With all the years I've been in trades, I didn't know? Well, guess what? That guy ate crow last week when the cement guys and the ironworkers came and told him, “Yes, that happened. Yes, Mr. Miller's

right”—blah, blah. I haven't heard from that guy again. In fact, I can't even get him on his cellphone.

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You know what I'm trying to tell you? Experience, and going through these things for many years, and seeing the costs that can rise, so when someone sits here and tells me—for three years, Minister Chan told me everything's on budget, everything's fine, you're just causing problems, you're negative, it's going to be great.

I'm hearing a little bit of that again today. But I did hear you say, and I gave you credit for this earlier when you said that you stood up about a week after and said you couldn't guarantee that everything was on budget. I respected that. It was the first time I heard it in four years.

But today, unfortunately, you're telling me the same thing he did, that everything is on budget. Baloney. You just gave another \$74 million to them. And they'll be back, Minister. They'll be back. I'll tell you right now—mark my words—it isn't going to be on budget, and you'll be lucky if you're on time for some of them.

I believe the velodrome in Milton was supposed to be ready a few weeks ago for the guys to practise and get ready. Also, they had some contracts with local cycling people to test it and do what they had to do for the—that got cancelled. Remember? That was in the paper. That was about the same time as the Lieutenant Governor thing.

Really, all I'm asking is, tell us the truth about the costs. Never mind estimates and crystal balls. You can certainly get within \$50 million of what it's going to cost in the final outcome. It's great to tell everybody everything's hunky-dory, everything's fine in Ontario, everything's moving ahead, we're going to be proud, and we're going to be happy. Well, I'll tell you what: Ask the people in Montreal how happy they were about the Big O. Remember when it caved in and all the cement came down? I remember that.

You know what? Why I said that, Minister, is because we've already had concrete problems in the Tim Hortons stadium. Some \$147 million for that stadium, and we've had concrete problems, and do you know why? One of the people you had running it was a foreign company. You didn't even use an Ontario management company.

Miss Monique Taylor: French.

Mr. Paul Miller: A French company. The guys that did the electronics and the tech guys were outbid by another foreign company from France. My local guys in Burlington and Hamilton didn't get the contract, and they're far better tradespeople than these guys. There was no fire in the control room when our guys did it. How many contracts were given out to foreign—an engineer told me 65% were local. Well, it wasn't the local guys that there was a problem with.

What I'm trying to say—I'll move on to a question here. I really wanted to get that off my chest, because I think the people have a right to know what's really going on and how many hundreds of millions of dollars more it's going to cost them than you're saying.

We attempted to get a direct answer to this straightforward question from both the ministry and the committee last week, but to no avail, so I'll ask it here.

Hon. Michael Coteau: Last week?

Mr. Paul Miller: Yes. Well, I asked something. I asked it before—

Hon. Michael Coteau: We weren't here last week.

Mr. Paul Miller: No, but I asked someone in the ministry. Sorry, in the ministry.

What are the current positions of the 50 temporary foreign workers being used by the games? What are the current positions?

Mr. Steven Davidson: We don't have the actual positions. We have some examples of positions. We understand—

Mr. Paul Miller: Well, I've got the number: 50. Pretty high-profile positions, too.

Mr. Steven Davidson: Yes, they are positions that TO2015 has recruited for, using all the federally mandated rules, with national postings, and have determined that the unique qualifications require—

Mr. Paul Miller: Unique qualifications. And there's nothing that you're building in Canada that our people can't do.

How much of the games spending—in that group, how much are you spending on temporary foreign workers for the venues?

Hon. Michael Coteau: TO2015 obviously has a lot of different folks working on different things. When you put together international games, obviously you want to draw from the expertise that takes place in different regions. This is the first time since 1930 that the province of Ontario has actually put on international games. I think if we can take some of the expertise that is found internationally, bring it to Ontario and build the expertise here in Ontario so it's transferred over to folks who can take on those tasks, it will strategically place Ontario into a place where, in the future, we'll be able to host many different types of games, and we'll have our expertise spread throughout the world. TO2015 follows rules that are outlined by the federal government. You know that temporary foreign workers are the purview of the federal government. They follow rules and they put in applications, so—

Mr. Paul Miller: But you're paying them.

Hon. Michael Coteau: Well, no. The operations of TO2015 are at roughly \$1.4 billion. We pay roughly one third of it. This is a commitment from the federal government, from the municipal governments, from partnerships with universities. Just to be clear that TO2015—yes, we do have influence by appointing the chair and appointing two additional members, but this is a multi-government organization.

Mr. Paul Miller: Well, Minister, with all due respect, you're telling me about hiring people from outside of Ontario to do jobs.

Hon. Michael Coteau: We can answer—

Mr. Paul Miller: I'm moving on to another question. I'm moving on.

Interjection.

Mr. Paul Miller: I'm moving on. I'm moving on.

The Chair (Ms. Cindy Forster): Mr. Miller, you have about two minutes left in your 20-minute rotation.

Mr. Paul Miller: Okay, I'm moving on.

To give an example, in that presentation you just gave, security contracts were awarded to an American company. This American company did not have a licence to operate in Ontario when you awarded these contracts to them. They also had problems at the Vancouver games. We had a perfectly good company in Ontario that had the wherewithal, the expertise, to handle security for the games in conjunction with the OPP, the RCMP and whoever else. There were two people left in the bidding process, one from Canada and one from the United States. The United States got it. Why?

The Chair (Ms. Cindy Forster): Minister, you have one minute to answer and then we're moving on.

Hon. Michael Coteau: The company that you're talking about—they have a Canadian headquarters, number one. Number two, there is a procurement process that government has put in place to ensure transparency and fairness. They applied and won that bid. The folks who are going to be working on our games, these are people in our universities, people in our colleges, people from right across Ontario. The employees who will actually be providing security for the games are Ontarians. This is providing jobs to Ontarians. It's not like busloads of people from the States are going to be coming in to provide security. This is the equivalent of providing security to—

Mr. Paul Miller: You paid that company \$14 million.

Hon. Michael Coteau: This is the equivalent of providing security at the Rogers Centre—

Mr. Paul Miller: For management, \$14 million.

Hon. Michael Coteau: —or at the Hamilton stadium. We want to ensure that there is a clean process. The OPP carried out that procurement. There was a fairness commissioner involved in that to ensure that it was transparent and that the procurement process was done in a very clean way, and we're very proud of the work that the OPP does.

The Chair (Ms. Cindy Forster): Thank you, Minister. We'll now move on to the 20-minute rotation for the government. Ms. McGarry?

Mrs. Kathryn McGarry: Thank you, Madam Chair, and congratulations on your appointment today. Madam Chair, through you to the minister, in budget 2013, the Ontario Music Fund was created, which was fairly good music to my ears, as I've got two young boys who are musicians at home, so my home and their high school is regularly filled with very noisy music—one is a drummer—with budding musicians.

What I'd like to know is, what is the Ontario Music Fund and what is it intended to do?

Hon. Michael Coteau: Thank you very much for the question. The Ontario Music Fund is a \$45-million fund that is allocated over three years. I was so happy a few weeks ago to go to the beautiful riding of Davenport. We

announced some of the recipients and the benefits of those rewards. The deputy is going to talk a bit more about it.

Over the last three months as the minister, I've had such a unique opportunity to go out there and actually talk to the people of Ontario about what is important to them. The development of the creative cluster plays such an important role in our economic impact here in the province of Ontario. We know that the economic impact is close to \$25 billion—I think it's \$24 billion—and employs almost 350,000 people. Music is part of that cluster.

I had the opportunity to go to the Polaris awards to celebrate some of the independent and emerging artists who are here in Ontario. At the music fund announcement, I was joined by Kardinal Offishall, who is an incredible artist who grew up in the same neighbourhood I did, in Flemingdon Park in Toronto. He was able to talk about how government programs have helped musicians like himself and many other musicians become successful not only in Ontario and Canada but internationally. If you look at our talent that is here, we have an extraordinary group of individuals from all across Ontario who contribute to the music sector here in Ontario, and Ontario is responsible for 80% of the English-speaking music industry here in Canada, which I think we all should be very, very proud of.

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I'd like to turn it over to the deputy to talk a little bit more about what the actual fund does and how it enables artists, producers and companies to be successful. Thank you for that question, because we're very proud of the work that we're doing at the ministry to support our artists in Ontario.

Mr. Steven Davidson: Thank you, Minister. So we've just completed the first year of the three-year lifespan for the program and we've just launched the second year. The program was developed in close consultation with industry—not just the music industry but also the tourism industry, because, as the minister has noted, live music is a key competitive advantage for Ontario as a tourism destination.

I'm going to ask my colleague Kevin Finnerty, who is the assistant deputy minister of culture, to talk in more detail about the program itself. There are four streams, so we're intervening in the sector in a variety of ways to help grow both large and small. I'll ask Kevin to explain that, as well as some of the early experience from our first year.

Mr. Kevin Finnerty: Thank you. I'm happy to speak to the Ontario Music Fund.

First and foremost, as the minister said, Ontario is home to 80% of the music industry in this country. That's actually up from 65% just a few years ago. Seeing that opportunity, the government did launch the fund in budget 2013 and really had four key objectives.

The first is to increase music production activity in Ontario so we can build strong, competitive companies that can compete nationally and internationally.

The second goal is to strengthen the entire music ecosystem by supporting organizations, associations and initiatives that will develop artists, drive more revenue into the system and attract audiences.

A third objective is to really advance the Live Music Strategy and to increase opportunities for new and emerging Canadian artists to perform here in Ontario, because we know that live music is an incredible source of revenue for the entire sector.

And finally, we wanted to create opportunities for emerging artists and music businesses in francophone, aboriginal and other communities to be able to get their music out to the public.

To achieve these objectives, the music fund has four streams.

The first is music company development. That is support for companies with revenues above \$100,000 a year. It provides direct support to Ontario-based music businesses through a business-plan-based approach. Basically, what it does is it provides incentives to companies to increase their business activities here in Ontario through investments in recording and talent and other resources. Companies eligible for this stream include domestic, independent Canadian companies as well as the foreign multinational companies: Warner, Universal and Sony.

The second key stream, which is brand new, is music futures, and that's for companies with revenues between \$35,000 and \$100,000. It's really support aimed at stimulating entrepreneurship and providing support to develop and leverage Ontario's diversity in music. As the minister said before, Ontario has one of the most diverse music ecosystems in the world. Every genre of music is here in Ontario, and by taking advantage of that diversity we can really drive more revenue into the sector.

Live music: This stream is designed to provide support for promoters, presenters, managers and agents to expand programming that features Canadian artists. We know that live music is incredibly important and that, in fact, the main source of revenue for emerging artists and the main way they get discovered is through live performances. So the live music stream is intended to drive more Canadian performers into our live music venues.

Finally, the fourth stream is music industry development. This is assistance for industry organizations and other groups to bring forth innovative ideas to strengthen the entire music industry and to develop the support structures for the companies of the future, the companies of today and the artists of the future.

As the minister has said, recently he announced 108 winning applicants for the first round of the music fund. We are currently reviewing the applications for round two, but I would like to give you some examples of projects that have received funding under their first year because I think the examples really make this real for people.

So if I were to give you a few examples from each of the streams:

Under music industry development, the Canadian Independent Recording Artists' Association received

funding to enhance its mentorship programs. What that mentorship program does is it connects Canadian artists who are already established with an emerging artist so that they can get one-on-one advice on how to grow their business. That artist-to-artist conversation, we have found, is key to being able to help emerging artists become businesspeople and really manage their careers more appropriately. This program has been very successful. It has been held in communities across the province. Mentors for the first round include major artists like Feist, Shad, The Hidden Cameras, Dala and Hollerado.

The industry development stream also supported francophone organizations. Three francophone organizations are being supported to promote Ontario's francophone music sector: Le Réseau Ontario des arts de la scène, l'Alliance nationale de l'industrie musicale, et l'Association des professionnels de la chanson et de la musique. They've been supported to do things like a market development project for major francophone organizations, initiatives to increase the profile of francophone music both in Ontario and nationally and internationally, and to do more showcasing and export development activity, so that francophone artists in Ontario get the exposure they need outside of Canada.

In music company development, some of the examples include funding to support A Tribe Called Red. You may have heard of A Tribe Called Red; it's an Ottawa-based aboriginal group which just won a Juno Award for Breakthrough Group of the Year. Thanks to funding from the Ontario Music Fund, A Tribe Called Red was supported to actually showcase its talents at the South by Southwest festival in Austin. The South by Southwest festival is one of the most important music festivals in the world, and really a place where emerging acts go to be discovered, and hopefully go on to do more international business.

Another company that received support under music company development is called MDM Recordings. MDM Recordings is an emerging country label and recording company, and, through support from the Ontario Music Fund, it was able to expand its operations by launching several key new album releases, grow its domestic business and really tackle the international market.

Maybe one or two examples under music futures: Through music futures, the Ontario Music Fund supported Divine Brown's 2014 album release, including recording, production, touring and showcasing activities designed to help her grow her career even more. Sunny Jam Records in Kitchener received some funding to promote Alysha Brilla's new record, and that has worked very, very well.

In live music, several examples include the following: The Ottawa Jazz Festival received funding from the Ontario Music Fund to expand their 2014 footprint to include the Laurier Avenue Canadian Music Stage, dedicated to various genres of Canadian music. Thanks to that, 43 emerging and established Canadian artists were able to perform at the Ottawa Jazz Festival.

Supercrawl in Hamilton has evolved from a small community event to becoming a premier music festival in southern Ontario. The Ontario Music Fund supported Supercrawl's expansion from one to two days of programming in 2013, and in 2014 the festival grew to a three-day event which is incredibly successful.

Finally, of course, there is the Live at Massey Hall series, which the Ontario Music Fund supported. That allowed emerging Canadian artists to perform at Massey Hall, in front of audiences of 2,000-plus people over a series of four concerts. Not only that, through a partnership with SiriusXM, those concerts were recorded and are now available online as 30-minute videos, so the one-time event becomes a permanent thing. Those videos enable those artists to become discovered by other audiences, both nationally and internationally.

These are just some of the examples of the great work of the Ontario Music Fund, and we look forward to continuing that work in year 2.

Mrs. Cristina Martins: Thank you, Deputy, for that information, and for providing clarification on the Ontario Music Fund. I know that my own riding of Davenport is home to many young and up-and-coming artists and musicians who will definitely be looking forward to taking advantage of this fund to help them kick-start their careers.

Deputy, can you take a minute to clarify Mr. Hillier's original question around tourism and culture agencies' annual reports, please?

Mr. Steven Davidson: Certainly, I'd be happy to. I apologize that I didn't have the information on the annual reports right at my fingertips when we were discussing it earlier.

Of the 19 agencies that have an accountability relationship with the Ministry of Tourism, Culture and Sport, 16 of those are required to table annual reports in the House. For the fiscal year 2011-12, 15 of the 16 are all tabled. As you noted, Mr. Hillier, the Metro Toronto Convention Centre is the one outstanding. It has been received. It's in process and will be brought forward for tabling very shortly.

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For the year 2012-13, all 16 annual reports are in progress and will be brought forward for tabling very shortly. For 2013-14, we're in the position now of receiving them from agencies. I think we have about half in and about half still to go.

It is the issue of finalizing the Metro Toronto Convention Centre's audited financial statements that held that one up, and we're working closely with them to ensure that that doesn't happen again.

You mentioned the posting of expenses. Of the 16 agencies, the only one that's required to do that is the Metro Toronto Convention Centre. Others are coming on board as a best practice to do that. But with respect to the MTCC expenses, the process is that before they're posted, they're reviewed by the Integrity Commissioner. The most current information I have is that expenses up to June 2014 have now been reviewed by the Integrity

Commissioner and are poised to be posted. I'm careful to say this, but I'm told that the goal is that by the end of this week they should be up.

Mr. Randy Hillier: So they've been with her for over two years?

The Chair (Ms. Cindy Forster): Mr. Hillier, it's not your question.

To the government: You have time for another question.

Mr. Han Dong: I'm going to ask a question about Ontario Place, because it is in the riding that I have the privilege to represent. You recently came to Trinity-Spadina and made an announcement about the government's future plan for Ontario Place. I think in there you talk about "no condos," which is receiving a lot of support on the street, so I just wanted to give you a little bit of feedback.

Could you tell us a bit more about the government's plan for Ontario Place?

Hon. Michael Coteau: We're very proud of what the legacy of Ontario Place has been in the province of Ontario. It opened, I believe, in 1973. I could be off by a year, but I believe it was 1973. All of us have a bit of a memory of Ontario Place, visiting either as parents or as young kids. We want to make sure that, as we revitalize that property, it goes back to serving the people of Ontario and visitors to Ontario. It will provide green space. It will provide a live music component. There will be a blue water park where young people can engage in activities. There will be room for festivals and different types of concerts. We anticipate that there will be interest in developing some type of cultural component to it, and also ensuring that the aboriginal heritage of the Great Lakes and of this region are reflected in the build. But we see this as an incredible opportunity to capture the spirit of Ontario Place has been about and to build it in such a way that it gives back to the people of Ontario.

I had the opportunity to meet the original architect when we made the announcement, to meet this gentleman who put so much time and effort into building this legacy and really making families have so many enjoyable hours of play and fun at this premier site. We want to make sure that legacy continues.

One of the recommendations that the advisory panel came back with was to consider putting in condos. But as you mentioned, MPP Dong, we are not going to go that route. We're going to work with the city of Toronto and work with Ontarians and stakeholders to ensure that, at the end of the day, we build an Ontario Place that provides reward for every Ontarian to come visit.

I'm really proud of that work that we've been able to do, and I know it's something that our government is very proud of.

Mr. Han Dong: Thank you.

The Chair (Ms. Cindy Forster): The government has four minutes left.

Mrs. Cristina Martins: Minister, as a mother of two very active boys who love to play soccer, my question is with regard to the after-school program. I wanted to

know what we were doing to ensure that our youngest Ontarians lead active and healthy lives.

Hon. Michael Coteau: When I was the parliamentary assistant to this file a couple of years ago when I first was elected, I was invited by the Toronto District School Board to visit one of the programs called Beyond 3:30. It was an extraordinary opportunity to meet some young people who participate in these programs, not only in Toronto—in my area—but right across the province. We provide funding to different parts of Ontario for neighbourhoods that may not traditionally have the infrastructure in place to provide that type of service, rural communities and inner-city communities.

It's part of our government's commitment to ensuring that young people in this province have the ability to live active lifestyles. We're so proud of the work that we've been able to do with this project to support that approach to working with young people. I've had the opportunity to visit a couple of the sites, and I can tell you that these programs really do engage young people and provide them with an opportunity to explore, to learn and to discover the value of physical literacy and nutritional literacy. We do what we can to work with parents and children to make sure that they're both on board.

This is another success story of this government when it comes to our commitment to ensuring that young people in this province get to live an active life and are committed to carrying that throughout their life. You can see that reflected in the after-school programs. You can see that reflected in our commitment to the Pan Am Games. You can see it reflected in our trails strategy, which will link our trails right across this great province. You can see it reflected in so many different elements here—in our nutritional policies at school boards. This is a government, and a Premier, that is committed to ensuring that young people have opportunity and that there is opportunity for all. I see this as one of those projects that contribute to doing just that.

Mrs. Cristina Martins: Thank you.

The Chair (Ms. Cindy Forster): You have just one minute left on your clock.

Hon. Michael Coteau: You know what? I would like to just continue a bit here, because there is some additional information that I'd like to contribute to the discussion because I know you're very interested in this file. We have approximately 20,000 children and youth who receive after-school programming from our ministry. We have 130 organizations that are part of this project at over 430 sites. It is delivered at schools, at YMCAs, Boys and Girls Clubs, churches and community centres. It provides healthy snacks to young people.

The young kids get to participate in at least 162 minutes of physical activity per week as part of the program, so they're learning and they're actually actively living. Over 80% of the program participants report increased knowledge of the importance of physical activity, healthy eating and personal health and wellness.

The Chair (Ms. Cindy Forster): Thank you, Minister. We'll turn it over to the official opposition, to Mr. Harris. Twenty minutes, last round.

Mr. Michael Harris: Thank you, Ms. Forster.

Good morning, Minister. How are you doing?

Hon. Michael Coteau: I'm good. I can keep talking about the great programs—

Mr. Michael Harris: No; save that for their next 20.

A lot of focus this morning has been on that additional \$74 million that was doled out. I know I'm getting questions in my constituency, and I'm happy to be here today to ask you, directly, questions pertaining to that. I will ask you, though—you've claimed that the latest extension comes with \$45 million in savings, making the latest actual increase only \$29 million. Is that correct?

Hon. Michael Coteau: Correct.

Mr. Michael Harris: Okay. In that apparent \$45 million in savings you detail in the September 20 forecast—"has seen a reduction in money for satellite villages," I'm just referring to slide 5. It talks about the budget categories. I'm sure you have a copy of this—"increased number of satellite villages." My question to you is, how can they claim a savings on satellite villages, and then dedicate more funding for satellite villages?

Hon. Michael Coteau: I'm going to let the deputy go into some details with those numbers, but I just want to weigh in on the issue overall when it comes to the \$74 million.

Mr. Michael Harris: Well, I—okay.

Hon. Michael Coteau: You know what?

Mr. Michael Harris: Go ahead.

Hon. Michael Coteau: The deputy will go right away, yes. Go ahead.

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Mr. Steven Davidson: Sure. On the satellite villages, just very simply, when we reported out at the March technical brief, at that time we hadn't landed on a firm decision as to whether that would be a TO2015 responsibility or a provincial government responsibility, so we showed a projected pressure of \$6 million at that time. Since then, in last week's technical brief, what we reflected was the decision that has been taken, which is that this is a TO2015 responsibility, so the province is no longer showing that as a pressure against our books. Instead, the cost of that is included within the \$74 million that is now being transferred to TO2015. It's included within TO2015's additional \$74 million.

Mr. Michael Harris: In your September 23, 2014 briefing, you include additional funds for satellite villages.

Mr. Steven Davidson: We show, actually, a decrease in the provincial cost, if you're looking at the table in that September 23rd deck. For just full transparency, where we had \$6 million we just showed it as a decrease of \$6 million against the province.

Mr. Michael Harris: All right. There are three satellite villages, I believe. Were they in Innisfil, Hamilton and St. Catharines? Are those new initiatives, the three?

Mr. Steven Davidson: There are actually five satellite villages being planned, and I can give you the locations.

Mr. Michael Harris: I'm just curious as to why those three in Innisfil, Hamilton and St. Catharines were never really included in the original budget.

Hon. Michael Coteau: I asked the same question around the Hamilton satellite village. The way it was explained to me is that Hamilton is exclusively going to be for soccer. They're going to have a very high-profile sporting event there.

The original plan was to move the athletes back and forth. According to PASO, the organizing committee, and other people who are experts at delivering these types of games, to transfer athletes from Toronto to Hamilton every single day for that specific sport is not good for the athletes, so it was better for us to use the existing facilities. I think one of the ideas is to use McMaster University dormitories as the satellite, so it's not like we're building something from scratch. They'll be using that facility. It's really about accommodating the athletes and making sure that they're not on a bus.

On one hand, we get questions around how we are going to minimize traffic; this is a perfect example of making sure that the athletes are accommodated, that we're not adding to traffic, and that the athletes are in top condition to participate.

Mr. Michael Harris: So my question was why they were never really included in the original budget, then.

Mr. Steven Davidson: I can actually clarify. The St. Catharines one was. It was always anticipated that there would be a need for satellite villages. The St. Catharines one was specifically identified in the bid, I'm advised; the other four were not. Those have been, as the minister has described, the result of more detailed planning.

Mr. Michael Harris: For months, the TO2015 website read, "Outside the host city, athletes will also be housed in four satellite accommodations nearer their competition venues." In addition, a December 13, 2013, Toronto Star article lists four satellite villages: in St. Catharines, Caledon, Minden and Nottawasaga.

Minister, are any of these four originally planned villages being implemented, or only the three mentioned in September 2014? But I guess you're saying now it's five.

Mr. Steven Davidson: With Hamilton.

Hon. Michael Coteau: The fifth with Hamilton, yes.

Mr. Michael Harris: All right. St. Catharines was in both the original set of satellite villages and in the apparently new satellite villages that require increased funding. Would you admit that this is not an increased number of satellite villages; rather just an inability to follow through on their original plans?

Hon. Michael Coteau: I brought up the fact around the Hamilton site. Is it the expectation of athletes and the 40 countries that will be visiting us to put their athletes on a bus for a couple of hours a day, or does it make sense having our athletes use the dormitories, in the Hamilton example, to actually stay there right next to where they're playing? I think it's common sense.

Mr. Michael Harris: Speaking of Hamilton, a July 10, 2014, CBC article details TO2015 spokesperson

Teddy Katz discussing Hamilton as a possible satellite village venue, which you confirmed on September 23, of course. That same article reads, “Renting out McMaster or Mohawk ... would also negate any ‘legacy’ component—a hallmark of selling the huge public cost of hosting the games.”

Minister, is the over \$20 million set aside for legacy in the 2014-15 estimates solely for the city of Toronto? And really, what will the satellite village in St. Catharines leave?

Hon. Michael Coteau: The assistant deputy minister just gave a presentation on the legacy items for these games. But if you talk about legacy, there’s the volunteer component to it. We’re going to leverage these games to connect the trails across Ontario, so for the first time in the history of this province, you’ll be able to use the trail system from Windsor all the way to Ottawa. That’s part of the legacy item of these games. That’s the legacy, and it will be for all Ontarians, not just specifically Toronto.

I think it goes back to our original decision to make sure that the 60 municipalities are included. There are events, you were just saying, in St. Catharines, in Hamilton, in the Durham region. This is about highlighting and promoting the region versus Toronto, so we were very conscious in making that decision early on.

Mr. Michael Harris: All right. I know that there was a bit of discussion today on transportation. With your apparent \$45 million in savings found in September 2014, you claimed a \$29-million savings on transportation—

Hon. Michael Coteau: Can I just—I’m sorry; just a bit of a correction: You may be referring to the city of Toronto’s legacy project, because there’s different legacy—

Mr. Michael Harris: I guess I was curious on why you would include—is renting rooms really a legacy?

Hon. Michael Coteau: We have an Ontario legacy that’s put on by the government, and other municipalities are spending their own money to promote the games. One of the Toronto contributions is a \$20-million legacy fund that the city of Toronto has established itself. I just want to be clear there.

Mr. Michael Harris: Thank you for your clarity. Back to the transportation aspect of it: You’ve claimed your apparent \$45 million in savings, found in September 2014; you claim a \$29-million savings on transportation. Then you turn around and state that a portion of the new \$74 million is going to costs for bus and fleet vehicles based on revised estimations of sport and transportation requirements.

I guess I’m confused here on how you folks have come up with the fact that—this is not a savings if you actually have to pay more.

Hon. Michael Coteau: Transportation obviously is the responsibility of the Ministry of Transportation, but moving people around during the games—so the Ministry of Transportation will coordinate the patterns and how they affect the grid as a whole: putting in HOV lanes, making sure of the way in which traffic flows,

encouraging people to stay home and maybe work from satellite locations. That type of stuff is developed through the Ministry of Transportation.

Mr. Michael Harris: Yes, I know. I understand that—

Hon. Michael Coteau: The other piece: TO2015 is responsible for moving the athletes around, so there are two different transportation pockets.

Mr. Michael Harris: Again, on your page 6 here, budget savings and offsets, it talks about reductions in anticipated games transportation and municipal services costs, and then it goes on, on page 5, details of additional requirements for games delivery, that there are additional costs for bus and fleet vehicles based on revised estimations of sport and transportation requirements. On one end, you have savings—

Hon. Michael Coteau: I’ll let the deputy weigh in on that, but like I said, one is the Ministry of Transportation, when it comes to transportation from a provincial perspective and the system, and one is transportation for moving things around: equipment and people. But the deputy would like to weigh in on this.

Mr. Steven Davidson: Yes, it’s exactly as the minister has described. The savings identified on page 6 are savings in the provincial transportation budget. We were able to deploy those savings against the \$74-million grant to TO2015 to mitigate the impact on the government’s fiscal plan—

Mr. Michael Harris: There’s some creative accounting going on over there.

I guess my next question would be, what exactly are these new costs for bus and fleet vehicles? How many buses and how many fleet vehicles will you actually require?

Hon. Michael Coteau: We’re going to bring someone in to talk about these details.

Mr. Steven Davidson: Nancy Mudrinic joins us; she’s the assistant deputy minister responsible for financial oversight and risk management in the secretariat.

Mr. Michael Harris: Good morning, Nancy.

Mr. Steven Davidson: A word on the process: We, as you can imagine, have gone through, line by line, breaking down the \$74-million request with TO2015. I’ll turn it over to Nancy to talk about information we’ve received from TO2015 about that specifically.

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Ms. Nancy Mudrinic: The additional funding required by Toronto 2015 for their transportation amounts breaks down in a couple of categories of transportation. Some of it is for bus and fleet vehicles, based on the estimates of moving people around—

Mr. Michael Harris: What were the numbers, specifically, on how many buses and vehicles will be required?

Ms. Nancy Mudrinic: Well, the exact number of buses and vehicles—I don’t have that information here—

Mr. Michael Harris: Is there an estimate?

Ms. Nancy Mudrinic: I don’t have that information right now. I’ll have to get back to you if you want that detail.

So it includes funding for that. It also includes some funding for staff, as well, to assist in the bus and fleet vehicle operation, including cleaning of busing, managing the bus depot; things like that that were originally anticipated to be supported through volunteer assistance. But through further planning work, it was a more effective and operationally efficient way to bring on additional staff members to manage the fleet operations—setting up the fleet depot, as well, where the buses will come in and out, be stored in the evenings and managed to go out to pick up the athletes, whether it's at the village or venues, and transport them back and forth according to the schedule for the games, as well.

Mr. Michael Harris: Sorry to interrupt, but I want to stick to the transportation piece of it. I've got a Toronto Star article—again, we thank the Toronto Star. In a December 13, 2013, article, Irene Kerr, then TO2015's vice-president in charge of transportation and logistics, estimated that 375 buses and 1,000 cars would be needed to transport athletes, coaches, VIPs and the media. They knew that cost since 2013, yet they didn't budget for it. Why not?

Ms. Nancy Mudrinic: This is their final refinement. It's 2014, so they were planning on a certain amount, and the planning changes over the course of time, that they manage from within their budget.

As far as the last bit of operational planning, this \$74-million request included refinements on operational details. They requested some additional assistance in those categories—

Mr. Michael Harris: You've asked for more money from the government because costs for bus and fleet vehicles, based on revised estimations of sport and transportation requirements, have increased, yet you're not even sure how many vehicles you're actually going to need—

Hon. Michael Coteau: Let me answer that question—

Mr. Michael Harris: —but in 2013, you did.

Hon. Michael Coteau: There are many different examples of what the \$74 million—you can pick and go into specific details, and we can get you details. But I think the big picture is this: There was a shortfall in projected sponsorship revenue, which we've addressed in the \$74 million. For example, when they were planning those bids back in 2008, when they were putting out a bid for the basketball court for non-para-sport athletes, they didn't consider—and I would say if you're putting a bid together, there is so much complexity. The fact that they didn't realize that the floor for para-athletes playing basketball is a different basketball floor—

Mr. Michael Harris: I got you on that.

Hon. Michael Coteau: So there's things like that that come up.

Mr. Michael Harris: Sure.

Hon. Michael Coteau: Security, obviously, for example—and other security costs: covering the security of equipment—

Mr. Michael Harris: I appreciate that, Minister. I want to focus on—

Hon. Michael Coteau: There are so many of these things that just continue to add on.

Mr. Michael Harris: I just want to focus on transportation, because I think the big picture for Ontarians is the fact that there's a group of people who have been assembled, experts in the field making a lot of money, government resources being put into this. I asked a simple question about how many buses and cars are going to be needed. They obviously had an estimate to build a cost into the budget. They're asking for more money, yet they're not able to tell me how many actual vehicles they're going to need. Ontarians see you asking for more money; you're doling it out. "Where is it all going?" is the big question.

We'll move on from that, but I do hope that you can get back to me with the actual number.

Hon. Michael Coteau: Just to be clear, you want to know how many buses are going to be at the Pan Am Games?

Mr. Michael Harris: Buses and cars.

Hon. Michael Coteau: Buses and cars. So you want to know how many buses and cars are going to be at the Pan Am Games.

Mr. Michael Harris: On December 13, 2013, your vice-president said there would be 375 buses and 1,000 cars. Based on that estimate, you've come back and said, "We need more money because we need more buses and cars." So I'm assuming that number has gone up. You should have an idea—if I'm the government, and you're asking for \$74 million more because you need more buses and cars, you should be able to give that number. Obviously, it's going to be higher than 375 and 1,000.

Hon. Michael Coteau: So do you want to talk about that, because—

Mr. Michael Harris: But just wait. The contradictions in savings and increased funding, they continue, Minister. In the latest technical briefing, you claim—

Hon. Michael Coteau: We can give you information about the transportation. We've got another example of how costs can change, not based on—

Mr. Michael Harris: Well, just wait. I want to get this one out, because I've got a few minutes left. Sorry.

Hon. Michael Coteau: But not based on—

Mr. Michael Harris: I've been good with you.

Hon. Michael Coteau: Yes, you have.

Mr. Michael Harris: So if you don't mind, I want to get back here. You talk about the \$45 million in savings as savings and efficiencies in the delivery of provincial promotion, celebration and legacy initiatives. Then you turn around and ask for an additional \$20.5 million under revenue, marketing and ceremonies, with a portion going to "expanding the marketing and communication program to promote the games."

How can you save money on promotions and increase spending for promotions at the same time? That's basically on page 6; it's right there, the second—

Hon. Michael Coteau: The additional money that's going to promotion and broadcasting—this will be the first time in the history of the para-sport component of

the Pan Am Games where they're going to have a full broadcast of the para-sports on CBC. We're proud in Ontario that we've put the same amount of resources to ensure that our para-athletes are kept at the same level as our non-para-athletes. We're proud of that, and it will cost additional money, but we're proud of that decision and we'll defend that decision.

Mr. Michael Harris: There's a third one. I only have two minutes left, and I know perhaps the media will want to follow up on some of these questions to perhaps get a clearer answer. But there is a third one.

As part of that \$45 million in savings, you say "reduced provincial-games-related staffing costs." Then you say that you've given TO2015 more money to help pay for staffing for areas where there are anticipated shortfalls in volunteer experience. So I'm just curious on what, really, it is. Is there a savings on staffing or are there extra costs on staffing?

Hon. Michael Coteau: The deputy will take this.

Mr. Steven Davidson: The staff savings were administrative savings that we found within the government secretariat, so staff savings on our side which are helping offset the increased investment in TO2015's operating costs. Basically, we shrunk the operating, foot costs of the secretariat within the government.

Mr. Michael Harris: Todd, I don't know if you had a few lingering things from before.

Mr. Todd Smith: Yes. I mean, Michael has brought up some good points.

The Chair (Ms. Cindy Forster): You have about 30 seconds.

Mr. Todd Smith: I would just wrap up by saying that I sincerely worry about some of the statements that the

minister has made here today. I almost am afraid for him, because he's painted himself into a very precarious situation. He has stated that there's not going to be any more money spent on the Pan Am Games, at least not by his government—

Hon. Michael Coteau: What I did say was that the TO2015—

Mr. Todd Smith: —yet I think we're seeing example after example that it is going to cost more. I'm worried about some of the statements that he's made today.

Hon. Michael Coteau: I need to ensure that what he's saying is reflective of what I've actually said. He asked me if more money would go to TO2015 for operation. I said, "Absolutely no." I was very clear with that.

The Chair (Ms. Cindy Forster): Thanks very much. We're out of time, but we do have a housekeeping issue that the committee needs to deal with.

We've exhausted three hours and 20 minutes of the five hours that are allotted to the review of estimates of the Ministry of Tourism, Culture and Sport today. Tomorrow we will begin the meeting with the third party's 20-minute rotation, which will leave us with just over 30 minutes for the consideration of the Ministry of Infrastructure at the end of our hour and 40 minutes.

So does the committee wish to call the Ministry of Infrastructure for roughly 30 minutes tomorrow, or would you like to start with a new ministry the following Tuesday?

Interjections.

The Chair (Ms. Cindy Forster): The following Tuesday, everyone? Okay. So we're going to adjourn now until 9 a.m. on Wednesday, October 1, 2014.

The committee adjourned at 1230.

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Ministry of Tourism,
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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 1 October 2014

Mercredi 1^{er} octobre 2014*The committee met at 0900 in room 151.*MINISTRY OF TOURISM,
CULTURE AND SPORT

The Chair (Ms. Cindy Forster): A call to order. We're here to resume the consideration of the estimates of the Ministry of Tourism, Culture and Sport. There is a total of one hour and 40 minutes remaining.

When committee was adjourned the official opposition had completed its rotation, so we'll start this morning with the third party for 20 minutes. Mr. Miller?

Mr. Paul Miller: Thank you, Madam Chair. Good morning, everybody. Everybody's going to be nice today? Everybody's happy?

Interjection: Be happy; set the tone early.

Mr. Paul Miller: That's good.

Well, Minister, we have a couple of questions for you. Yesterday we talked about the Pan Am committee secretariat and how it did not meet its sponsorship targets, which resulted in your \$74-million increase of funds for the games because of that. And we mentioned Louise Lutgens, then responsible for external affairs and outreach, who since 2011 has received at least \$500,000 in compensation and severance, having been let go in March. Why were the legal costs paid to Ms. Lutgens and the other executives when they were let go? Why were their legal costs paid?

Hon. Michael Coteau: Thank you for the question; I'll turn it over to the deputy on that issue.

Mr. Steven Davidson: Sure. Just off the top, two points of clarification: What we're talking about is staff within TO2015, not the secretariat. The secretariat is the little branch within the government that oversees the government's role.

Mr. Paul Miller: That's fine, but as I stated yesterday, it's all taxpayers' money.

Mr. Steven Davidson: Right, but the secretariat is Ontario government employees and these are TO2015 employees.

Mr. Paul Miller: You can call it whatever you like.

Mr. Steven Davidson: That's just point number 1.

Point number 2: Louise Lutgens was not responsible for sponsorship. That was under a different senior vice-president, Kathy Henderson, who is still there. So the achievement or non-achievement on sponsorship was irrelevant to Louise's situation. Those are just two points of clarification.

Mr. Paul Miller: I'm not really concerned about that; more about the money.

Mr. Steven Davidson: I'm not an expert in HR but my experience is that it is quite standard that in negotiating a severance package there be an allocation toward the individual's legal costs, that that's common across employers in Ontario.

Mr. Paul Miller: With all due respect, it may be standard with government contracts but in the private sector that doesn't happen very often. The \$500,000 should be for completion of her job. She was let go a year early on her job; she got this compensation for not completing. My understanding is that the original contracts were to stay a year after, until everything was done, settled, straightened out and transformed over to the communities—keep things going. She didn't make it, and Mr. Troop and a few others didn't make it, yet they still got paid. My problem is, who are the people that are negotiating these contracts with these people at the initial outset? Who is doing this and agreeing to these enormous payouts? Do you realize that that's two years' pay for the Premier or more, for a buyout? That's ridiculous.

Hon. Michael Coteau: I think your number is off. Maybe it's the year pay plus the severance. I have a different number here, and I have a number for the legal fees.

As the new minister responsible for this file, I had an opportunity early in being appointed to the position to reach out to the chair and ask him to stop the practice of bonuses, and they've complied. They've decided that this is something that they—well, not “complied,” but they took on the request, and they've moved forward with it as a board motion. I think it's a reflection of some of the frustration that you have towards that type of cash being presented to different individuals at TO2015.

It also led to—there were many reasons why we pushed forward for a leadership change. I think with a new chair there, David Peterson, and of course a new CEO, Saâd Rafi, we feel quite confident that we're in good hands and they'll be able to deliver a responsible set of games.

Mr. Paul Miller: Okay, Minister, I understand that part of it, but what I'm saying is, this money that was paid out, which should have been for a job completed at the end of their year that they were supposed to stay extra—this is money that they were given and they didn't complete their mandate. They did not finish their job. I

don't know any place in the world where you get money and you don't complete your work.

And this is just two, Minister. There's probably many more that have signed contracts, 60-plus that have signed contracts that are still out there, previous to your new agreement you had with TO2015. That's understandable, but they have the ones that are previous to that. That is going to be millions more, millions you're going to have to pay in compensation when the games are—either they get let go early or at the end of the situation, because you're not going to be able to change the contracts you've already signed with those people. Oh, you're saying you've stopped it for any new hires. Well, there isn't going to be that much. Maybe one or two people may change positions. So really, with all due respect, it's useless, because you've still got all those other people that were originally there with the contracts they signed originally. And if you don't pay them, you're going to be in court, and they're going to get their money from the government, because you signed a contract. So I'm very concerned about—your movement was good; what you did was good, to try and stop any further abuses, but it's still there.

What amazes me, when this all transpired, was that the ministry is supposed to be working with Infrastructure Ontario, with TO2015. You're supposed to be overseeing it. You even stated to me yesterday that you had two people on the board and the feds had a couple of people on the board. They were there when all this was done. They voted on it. Ian Troop voted on his own package. They were all there. All the financial was there. It was all there and done. You guys had people there watching it, and you let it go through. And now you're saying, "Okay, well, I've stopped it now," but we've got a lot of collateral damage and money that's going to have to be paid out to these people. Am I incorrect?

Hon. Michael Coteau: What we've done—the chair has changed. Our two provincial appointees have changed. We have a new leadership when it comes to the provincial appointees. We, as a province, have influence on roughly one third of the board. The federal government has a—

Mr. Steven Davidson: A quarter of the board.

Hon. Michael Coteau: A quarter of the board.

Mr. Steven Davidson: Three of twelve.

Hon. Michael Coteau: Okay, three of twelve.

Mr. Paul Miller: So they agreed to this mess.

Hon. Michael Coteau: The federal government has three appointees, three of twelve.

Mr. Paul Miller: So they were all there.

Hon. Michael Coteau: The municipal government has three of twelve—

Interjection.

Hon. Michael Coteau: One, and the rest is from the organizing committee of—

Mr. Steven Davidson: COC, Canadian Olympic Committee, Canadian Paralympic Committee.

Mr. Paul Miller: My question for the deputy minister would be, did they all agree to this? They must have.

Hon. Michael Coteau: Here's the thing: 25% of the board representation is made up of the province, and roughly one third of the operational cost is put in by the government. We're part of a larger team—

Mr. Paul Miller: It looks like the team agreed to it.
0910

Hon. Michael Coteau: —and what we did was, we have taken proactive steps to put in a new series of—

Mr. Paul Miller: You put another team in.

Hon. Michael Coteau: —a new leadership under the chair and the CEO. We're very confident that they'll be able to move these games forward to ensure success for Ontario.

Mr. Paul Miller: Well, that's very fine. You still haven't answered the question. Did they make the decision originally to give these payouts? Severance packages and bonuses were all voted on by people at TO2015—Mr. Troop and his group. You had people sitting there; the feds had people sitting there. You haven't answered my question. Did they vote in favour of all these little gifts?

Hon. Michael Coteau: None of the three board members that are currently on the board were there when any of these contracts were put in place.

Mr. Paul Miller: Well, who was there? Who agreed to it?

Hon. Michael Coteau: Other members of the board.

Mr. Paul Miller: So there were other people, then. If those three weren't there, there were another three.

Hon. Michael Coteau: TO2015 is made up of representation from the federal government, provincial government, municipal government and other members, and we have a stake in it as a province. But this is a partnership between the federal government, the provincial government and 16 municipal governments, and we have influence, obviously, by appointing the chair—

Mr. Paul Miller: Trust me, Minister. If you guys were my partners, you'd all be fired, with what's going on with this nonsense.

I'll move on to a new question. What are the current positions of the 50 temporary foreign workers that we talked about yesterday and how are they being used in the games?

Hon. Michael Coteau: The deputy has some more details, and he'll go through some of those positions.

Mr. Steven Davidson: I would just start by saying, and I said yesterday, that TO2015 has certainly advised us that they take every action they can to hire Ontario/Canadian employees.

A couple of things that are particular about their organization: It's a temporary organization and it has hard deadlines, and they have some very specific needs. For some positions, they require the individuals to be trilingual—French, English and Spanish. There is a small pool of Canadians with experience in large, international, multi-sport games.

That said, the positions that they have recruited for, under meeting all of the federal requirements, which are fairly extensive—posting of all positions for a minimum

of four weeks, advertising positions on multiple national job boards, etc. Meeting all of those, they have recruited for director of operations, opening and closing ceremonies; director of international relations; and NOC/NPC services.

Mr. Paul Miller: Can I ask you a question, Deputy Minister? Were they hired for their linguistic abilities or were they hired to be interpreters? Were the jobs posted in Ontario for these positions? Because I know a lot of people who can speak Spanish in Ontario.

Mr. Steven Davidson: The first one I mentioned, the opening and closing ceremonies: They launched the job search in April 2013; it wasn't filled until October. No qualified Canadians were available who were willing to relocate to Toronto, so they hired an American who had left the Sochi 2014 winter games early. He has ceremonies experience at multiple games, including Guadalajara, Pan/Parapan Am Games, Sochi, Atlanta, as well as—

Mr. Paul Miller: Can I ask you a question? What would be the wage of that person, roughly?

Mr. Steven Davidson: I don't know.

Mr. Paul Miller: You mean to tell me there was nobody in Ontario who would be willing to do that job? You had to go to the States to get somebody—or other places.

Mr. Steven Davidson: These are TO2015 positions—

Mr. Paul Miller: Oh, I forgot. That's that other group that you guys have nothing to do with. Okay.

Mr. Steven Davidson: —so TO2015 is the employer. This is information that we have received from TO2015. These are not government employees.

Hon. Michael Coteau: In addition to that, there is a process that's put in place. You can't just go out there and hire someone from overseas to bring them in to work. What you have to do is advertise here in Ontario, and there's a process that's outlined by the federal government. There's an analysis that's done; there's a certain timeline. If you cannot find the right qualified person—it's an assessment process that takes place—then you can actually proceed. None of these positions happen without going through federal regulation.

Mr. Paul Miller: So you're telling me that all of these positions that I've mentioned were posted in Ontario—

Hon. Michael Coteau: There is a process. The temporary foreign worker piece: Yes, you have to advertise. There's a process that's put in place.

Mr. Paul Miller: Okay, next question: How have you ensured that the public will know the truth and complete costs of the games if, for example, expenditures associated with the Pan Am Games do not have a separate line item or are buried in the estimate books of the ministry or ministries?

Here's one maybe you could explain from your ministry: page 57, under "Sports, Recreation and Community Programs, Pan Am Games," there are no estimates for 2014-15 or 2013-14, but under "Interim Actuals, 2013-14," there is nearly \$3 million listed—for what?

Hon. Michael Coteau: Can you repeat the question?

Mr. Paul Miller: Yes, I can. On page 57, under "Sports, Recreation and Community Programs, Pan Am Games," there are no estimates for 2014-15 or 2013-14, but under "Interim Actuals, 2013-14," there are nearly \$3 million. What's that for?

Mr. Steven Davidson: The estimates for the Pan Am Games are distributed across the Ministry of Tourism, Culture and Sport, Pan/Parapan Am Games Secretariat, the Ministry of Transportation and the Ministry of Community Safety, as responsibility is spread across. So what you're looking at here: \$3 million in the sport and recreation division within the ministry is the portion of the \$42-million promotion, celebration and legacy strategy that the government announced two summers ago, which is made up of initiatives being delivered by a number of ministries. I believe this is the Pan Am/Parapan Am Kids Program, which is being delivered out of the sport and recreation division, so that shows there. I'll just stand to be corrected if it's—yes, that is it. So you might see a similar allocation in another ministry that is contributing an initiative toward that broader strategy.

Mr. Paul Miller: Okay. Yesterday it was mentioned that the OPP overtime costs are already factored in the estimate into the costs for 2014-15. Is that correct? They're already factored?

Hon. Michael Coteau: Correct.

Mr. Paul Miller: Okay. So municipalities can expect no hidden costs from the OPP bills after the games are long gone. Would that be correct?

Mr. Steven Davidson: The costs for the OPP services are factored into the projected \$239-million security budget.

Mr. Paul Miller: No, I'm saying that after the games are done, there will be no legacy costs for the communities with the OPP for—

Hon. Michael Coteau: The \$239 million takes into account all costs associated with security in relation to the OPP and the municipalities.

Mr. Paul Miller: You also said that you wouldn't be committed to a cap on security costs associated with these games if it in any way meant that the people of Ontario would be—you wanted them to be safe. That's certainly credible, to want the safety factor, but where does it end? You said you wouldn't put a cap on it. Obviously, it could escalate because of what has been going on in the world lately. Do you feel that you'll be on time and on budget with that?

Hon. Michael Coteau: We can go back and forth with hypothetical situations, but the reality is this: Currently the estimate for security is \$239 million. It's the best estimate that the security experts have put in place. I have full confidence in the OPP that they'll be able to deliver the type of security that we would expect as members of the Legislature but also as Ontarians.

Mr. Paul Miller: Well, Minister, I'm a little confused, because yesterday you said that it's included. You stood outside and said it's included in the costs of the regional police departments.

Hon. Michael Coteau: Yes.

Mr. Paul Miller: If you haven't signed a contract with them, according—

Hon. Michael Coteau: It's based on estimates, so—

Mr. Paul Miller: No, no.

Hon. Michael Coteau: It is based on an estimate.

Mr. Paul Miller: I know. Estimates are like the crystal ball I mentioned.

The Chair (Ms. Cindy Forster): Mr. Miller, you have one minute left.

Mr. Paul Miller: Okay, thanks.

The crystal ball I mentioned yesterday; estimates, projections—that's great, but you can't come in here day after day and say that you're on budget and everything is okay when you've got estimates still hanging out there. You've got the crystal ball. We're not sure what it's going to cost. If you were to say, "We're not on budget; I'm not sure where it's going to end up," it would be much more credible and accountable to the people of Ontario if you would tell them that, and that's what we've been pushing for.

Hon. Michael Coteau: We said yesterday that when it comes to our municipal partners and the universities, we've saved \$50 million, roughly, through Infrastructure Ontario. For infrastructure projects as a whole, we've saved an additional \$50 million. We are at a place right now where we're well under budget when it comes to infrastructure. It's something that doesn't seem to resonate on your side; you haven't asked me any questions about infrastructure. But we're well under budget—

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Mr. Paul Miller: Oh, I certainly did. I asked you about transportation.

Hon. Michael Coteau: We're well under budget. When it comes to security—

Mr. Paul Miller: I asked you about security.

The Chair (Ms. Cindy Forster): Thank you, Minister.

Mr. Paul Miller: I asked you about transportation. You didn't answer.

The Chair (Ms. Cindy Forster): Thank you, Minister. *Interjection.*

Mr. Paul Miller: You're not on budget.

The Chair (Ms. Cindy Forster): Thank you, Minister. We'll turn it over to the government side. Ms. Kiwala?

Ms. Sophie Kiwala: Thank you, Minister. I know that hosting a multi-sport event like the Pan Am Games is an exceptionally complicated undertaking. I've heard a lot about how you and your ministry have been working hard to make these the most open and transparent games ever. I've heard about this consistently in our riding, in Kingston and the Islands, and I'm very pleased about that.

I'm happy that you're working to make the games the most accessible to everyone and providing us with the most up-to-date information throughout the planning process. Can you please explain some of the steps that our ministry has taken to achieve this goal?

Hon. Michael Coteau: Thank you very much for the question. We as a government want to ensure that these games are the most open and transparent games ever held

on Canadian soil. In comparison to international games, we believe that these games will be the most open and transparent. It was part of our commitment back when we took on this task of really bringing forward these games. TO2015 was brought under the freedom of information protection act, resulting in the disclosure of executive salaries and the disclosure of their expenses.

We also have held three technical briefings, one of which I did a couple of weeks ago. We've provided the media—and, of course, invited opposition critics to come in and go through those documents with us, to ensure that there is transparency.

The ministry has also provided the opposition with close to 120,000 pages of documents based on the Pan/Parapan Am Games. That's 45 boxes of documents to the Clerk's office, back in November.

We're very proud of the fact that every step of the way, we've interacted with media, with the opposition and with the public to update them on exactly where we are on these games, where our expenditures are, where the pressures are. If there have been changes, we've been very transparent about those changes and we've provided different pieces of information to explain why those changes have happened.

One of the changes, for example, and the need to adjust the budget—the \$74 million that we were discussing yesterday—one of the pieces was a \$2-million offset, because the federal government is not going to exempt the taxes that they exempted in Vancouver. The federal government exempted taxes in Vancouver, in the Vancouver Olympics, and they will not provide that same courtesy over here with these games. That was an assumption we had, and then we made an adjustment based on that change. Things happen, and we have to make adjustments, and we've been very transparent.

We've always been very clear to the opposition critics that they're welcome to come and talk to us. We've held technical briefings to do that. I think, out of the three meetings, maybe one showed up for one of those meetings. But we've been very up front to invite them there to participate in that process.

I'm going to turn it over to the deputy to provide a little bit more information on transparency in relation to these games.

Mr. Steven Davidson: Thank you, Minister. I've invited my colleague Nancy Mudrinic, who is the assistant deputy minister of finance, financial oversight and risk management, to talk in a little bit more detail about some of the specific mechanisms that the government has put in place to ensure transparency and strengthen oversight of TO2015.

But before I do that, I'm just going to add a couple more points about the technical briefings. Those began last November, with one in March and then one more recently, just a week ago.

The first of those focused on the full financial picture. Certainly, what was apparent at the time was that there wasn't a good, strong understanding of the specific role of TO2015, the games' organizing committee responsible

for putting on the games. As the minister has said, it is an independent, non-profit organization whose funding is made up of contributions of the provincial government, the federal government, municipalities and universities as well as the private sector, through the corporate sponsorships, and the government of Ontario appointing three of the 12-member board—so, clarification of their responsibilities as well as full disclosure and discussion about those areas of provincial responsibility: transportation planning, security of the public, the celebration and legacy initiatives and so on and so forth.

So the focus of the first one, last November, was on the full financial picture. Flash forward to the one in the spring. At that point we were shifting from big strategic planning to a more on-the-ground operational planning focus, and so on that day the government released the strategic transportation framework, which really locked down the big building blocks for the transportation piece. Subsequent to that, transportation would work with individual municipalities on local transportation plans, and a whole variety of very on-the-ground operational planning would proceed. That sort of coincided with a shift from strategic planning to on-the-ground operational planning.

When we convened a technical brief last week, the focus was twofold: one, on explaining the increased investment of \$74 million to TO2015, but also to provide an update on the good state of preparedness for the capital projects: the venues and the athletes' village in the West Don Lands. So each has had a theme and has coincided with the progress of planning. Right now where we're at is we're coming to the conclusion of the on-the-ground operational planning, so we've got a lot more information than we had even in March about what it's going to take on the ground to deliver the games and associated cost information. That has been the trajectory of the technical briefs, and the plan is certainly to continue to provide those at critical junctures as we plan.

But at the beginning there were a number of pieces that were put in place to ensure a good, broad overall transparency, and Nancy can talk about that.

Ms. Nancy Mudrinic: Thank you, Deputy. There were a number of measures that the province put in place in Toronto 2015 to ensure openness and transparency, in addition to all the information provided in the technical briefing. I'll skip over that part, but some other things that the province did was that they ensured that Toronto 2015 would be subject to FIPPA, the Freedom of Information and Protection of Privacy Act, and this is the first time that such legislation is applied to an organizing committee such as Toronto 2015.

In addition, public salary disclosure as well: Toronto 2015 has been disclosing salaries for those individuals earning more than \$100,000 a year, and the first list was released in March 2011, which included the salaries of individuals at Toronto 2015 in calendar year 2010, so they have been posting for a significant period of time in terms of salary disclosure.

The province has also ensured that Toronto 2015 is subject to broader public sector directives covering ex-

penses, perquisites, as well as procurement. A number of audits have been performed by Ontario internal audit on these features as well. There have been three audits to date. The one on expenses and perks was issued in October 2012, procurement was in July 2013, and an audit of Toronto 2015's compliance to its various governing agreements, including the multi-party agreement, the transfer payment agreement, and the Ontario support agreement, was issued most recently in 2014. The review on compliance also includes a look at transparency and requirements for transparency for Toronto 2015.

The province has also provided a lot of detail within the province's annual estimates and other reports in terms of Ontario's contribution to Toronto 2015: details of its transfer payment; costs associated with the athletes' village—and that's part of the annual estimates as well; costs associated with promotion, celebration and legacy strategies. The secretariat's costs as well are included in the province's estimates.

The annual spending for P/PAGS and also MCSCS in terms of security is broken up separately in the province's annual budget as well, so a one-time investment line is provided there for complete transparency outside of the regular ministry spending.

If I can spend a few minutes talking about Toronto 2015 specifically: Toronto 2015 publicly releases its financial statements quarterly and holds open media calls as a demonstration of transparency and accountability. Grant Thornton, an independent third-party auditor, has conducted independent audits of Toronto 2015's financial statements for the past four years and concluded that they're fair and represent the financial position of the organization. These audits are also posted on Toronto 2015's website. The quarterly financial statements are also posted online, and they provide a dashboard of overall budget and spending to date. So there's quite a bit of information there, and as I said they're posted on Toronto 2015's website.

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All of the games' key foundational agreements are also posted on Toronto 2015's website, including the bid book, the multi-party agreement, the Ontario support agreement, and the province's transfer payment agreement with Toronto 2015. So they've been online for the past two years and are available as well.

Toronto 2015 also lists its corporate sponsors on its website.

In addition, Toronto 2015 has made information available on the status of its procurements. It posts a procurement schedule on its website, and it's updated monthly. They post all of their RFP awards—not including the value of the award, but the award itself—on its website. They advertise all their RFPs via email to all the registered businesses that have registered on Toronto 2015's website. They have conducted 30 outreach business sessions to the community to promote the games' business opportunities, and they also disseminate RFP notices through the market, through their supplier diversity advisory council.

Those are a few examples of the outreach that Toronto 2015 has done and the efforts that the province has made to improve transparency and openness with the games.

The Chair (Ms. Cindy Forster): Can I just have your attention for a moment? We have a guest in the audience. Mr. Guy Zangari, an MP from New South Wales, is here today.

Welcome to our committee.

Applause.

The Chair (Ms. Cindy Forster): Back to the government: More questions?

Mr. Steven Davidson: If I could just add one further point to Nancy's comment. It's actually a clarification on the question around the \$3 million in the sport and recreation line, in the interests of full transparency. I had mistakenly said that that was directed toward the Pan Am kids' program, and it was in part, but there was another investment there in the CSIO, the Canadian Sport Institute Ontario, which is another Pan Am legacy piece. So just to be clear, it comprised both of those.

The Chair (Ms. Cindy Forster): Mr. Potts?

Mr. Arthur Potts: Mr. Minister, thank you very much. Getting more clarity and more transparency on the transparency is an excellent example of how the government is being extremely transparent in what we're trying to do both in the games and as a government as a whole.

Minister, we've had a lot of questions about the Pan Am Games. One might almost assume that you're just the minister for the Pan Am Games, but we know you're doing a lot more. There's a lot more involved in your ministry.

I have a question for you about the Ontario Media Development Corp. The industry is so important to the province of Ontario—the monies it generates and the transparency of media across the province, the production of films and television. It's a very important industry. In my area of Beaches–East York, just south of your community, where thousands and thousands of people make a living producing film, radio, print; writers; the arts—so important. Can you explain to us how your ministry is involving itself in creating more Canadian content and helping these people thrive in this economy?

Hon. Michael Coteau: I'll let the deputy weigh in on this, but I'd like to just talk about the organization agency and the great work that they're doing in the province of Ontario to really develop media, film, television, and also to attract different businesses from across the country—in fact, internationally—to come and operate here in Ontario. There are some huge success stories in Ontario: Murdoch Mysteries, for example; the show *Suits* is filmed here in downtown Toronto. We compete now—and it was very different a decade ago, 15 years ago—with New York and Los Angeles as being a hub for music development, for film and television. I think TIFF is a perfect example of our success here as a province. We're very proud, as a government, to invest in those areas, to ensure that creative cluster continues to develop and continues to grow because we know that there are tens of billions that are generated here in Ontario based on that,

and they hire hundreds of thousands of employees. I'll turn it over to the deputy, and we have one of our ADMs here who can talk a little bit specifically about the details.

Mr. Steven Davidson: Sure. Thanks, Minister. I will invite Kevin Finnerty, the assistant deputy minister for culture, to talk in more detail. I'd like to just put out a couple of facts, though, to set the stage.

As the minister says, the entertainment and creative cluster—the creative-content-creating agencies contribute \$12.4 billion to the provincial economy, an important part of the knowledge-based economy. The rate of growth outpaces that of the general economy, at 28% compared to 17% overall over the past several years, creating about 45,000 net new jobs. It's a pretty important piece of this ministry's mandate.

The OMDC is the key delivery agent for the government's programs. Ontario was a pioneer in tax credits for the creative industries beginning in the late 1990s. Other jurisdictions have caught up to us and kept pace, so it's now highly competitive. Kevin will talk about how we try to keep pace in that competitive world.

Mr. Kevin Finnerty: Thank you. I'm happy to talk a little bit about the OMDC. Just by way of a few more figures: Film and television production contributes \$2.4 billion to Ontario's economy every year and supports some 46,000 jobs. Our interactive visual media sector is a \$1.5-billion industry supporting 16,000 jobs. Our music industry, as we said yesterday, is the largest in this country and getting bigger. And more than half the magazines in Canada are published in this province and almost half of those titles ship to readers outside of Ontario.

Since 2003, the government has provided over \$200 million in operating funding to the OMDC. Just a few examples of things that have happened: For instance, the industry development program at the OMDC provided \$2 million in support in 2012-13 to 56 initiatives, leading to almost 6,000 business connections for Ontario's trade organizations through initiatives that stimulate growth in the creative industries. The OMDC Film Fund has led to the production of a range of diverse and award-winning films which have fuelled the growth of the film sector in this province, and in fact, three OMDC-funded films were featured in TIFF most recently.

There is also the Ontario Film Commission, which is part of the OMDC. The film commission markets Ontario to the film and television production industry and provides location-scouting services at no charge to any production that is considering shooting in Ontario. What this does is, basically, it can help projects from script to screen through tailored location packages, using a digital photo library that features some 11,000 locations, representing more than 225,000 images. It's available online 24/7 from anywhere in the world.

There is also an office in Los Angeles, jointly with the city of Toronto, which actually is a direct link to big Hollywood film producers, which has been a real success for Ontario. Some of the films that you might have heard of that are shot in Ontario include *Pacific Rim*, *RoboCop*

and Total Recall. Television series include things like Deglassi, Rookie Blue, and Orphan Black, which has become a huge international success story. It has been nominated for multiple awards around the world.

If we move on to tax credits, as the deputy minister said, just most recently, renowned Mexican director Guillermo del Toro recently finished filming his upcoming feature, *Crimson Peak*, here in Ontario. He has a long history of choosing Ontario as a film location, based on our competitive tax credits, but also because of the complete package that Ontario offers in terms of infrastructure, quality of staff and quality of technical support.

The Chair (Ms. Cindy Forster): Deputy Minister, you have about one minute left.

Mr. Kevin Finnerty: Thank you. His recent films include *Pacific Rim*, which was filmed in Toronto. I just want to say that *Pacific Rim* had a production budget of \$190 million, which was invested into Ontario's economy, and that supported hundreds of jobs during that production. It's just one more example of how this province has been very successful in attracting film and television investment.

The Chair (Ms. Cindy Forster): We'll turn it over to the official opposition. Mr. Smith.

Mr. Todd Smith: Thank you very much, Chair. This is our last 20 minutes to question the minister, so I know my colleagues here sitting at my right have some questions as well.

I did want to touch on a few more items regarding the Pan Am Games. One of the questions that I have, Minister, is, when you were here yesterday, we talked at great length about the \$74-million bailout that was announced last week for TO2015. I was just wondering: When exactly was the date that TO2015 came to you and said, "Look, we're out of money; we need another \$74 million"? When exactly did that occur, do you know?

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Hon. Michael Coteau: I can't tell you the exact date. I can look at my calendar and try to pull that up. It was in the first half of my three months—I've only been on the job for three months, so it was probably in the first 45 days.

Mr. Todd Smith: In the first 45 days.

Hon. Michael Coteau: Yes. I can probably pull out a specific day.

Mr. Steven Davidson: It was July.

Interjections.

Hon. Michael Coteau: We think July 7.

Mr. Todd Smith: July 7 was when—

Hon. Michael Coteau: Yes. I think we were appointed—is it June 28? What's the appointment day?

Interjection.

Hon. Michael Coteau: It was very, very early into me being appointed as minister.

Mr. Todd Smith: Okay. So we're going to narrow it down to early July.

Hon. Michael Coteau: Correct.

Mr. Todd Smith: July 7 is the date that we have. On July 13 of this summer, the CEO of TO2015, Saad Rafi, was quoted in the *Guelph Mercury*, saying, "It's absolutely fair to say we're under budget." So I want to know what changed between—the dates don't really match up. You can understand—

Hon. Michael Coteau: Yes. I can't comment on a statement he made. If he made that statement and you have a quote—that's a statement he has made. When I was asked about the budget, specifically around security, I said I couldn't guarantee that it was going to be within the allocated amount and there were no guarantees. I was very clear, and I think your quote was, "I almost respect the minister for being honest."

Mr. Todd Smith: Right. That was my quote because—

Hon. Michael Coteau: Thank you for the compliment, and I appreciate that.

Mr. Todd Smith: Quite honestly, your predecessor, Minister Chan, was saying, right up until we rose for an election, that these games were on time and on budget and there was nothing to worry about. But then just a few days after the election is over, here we have the CEO of TO2015 coming and saying, "We need another \$74 million." So I'm just wondering: In this new era of transparency—and you say it over and over again, so it must be true, right?

Hon. Michael Coteau: Openness and transparency.

Mr. Todd Smith: Right; openness and transparency. I'm just wondering why Minister Chan would say that the games are on time and on budget. It wouldn't be because there was an election pending that he would be saying that, would it?

Hon. Michael Coteau: When I was appointed three months ago, I was put into a new ministry—from citizenship and immigration into this ministry. I sat down with the deputy, with officials, got feedback on all the wonderful things the ministry is involved in, and one of them, of course, is the Pan Am and Parapan Am Games.

When I came out of question period—very early into the appointment, I was asked a question, and I answered the question.

Moving forward, meeting with the executive officer from TO2015, they put in a request, and here we are today.

Mr. Todd Smith: So you knew very early on that there was no way these games were going to be on time and on budget, and obviously you had some information from Saad Rafi that that was indeed the case. But that didn't—

Hon. Michael Coteau: And I think I've been very clear.

Mr. Todd Smith: Yes. But that didn't stop the minister, prior to the election, saying that, obviously—what he said time and time again was that the games were on time and on budget. That was a different time back then.

I just have a couple more questions about that \$74 million, because we do have the credibility of this number hanging over our heads. If there's any way—and I

just want to make sure we get this right—to justify the \$74-million bailout, if we could get the business case or documents presented to the committee on a line-by-line basis, not the technical briefing that we received last week on what the \$74 million is for, but if we could get an actual business case for why that \$74 million is necessary—is that something you could present to the committee?

Hon. Michael Coteau: Yes. When we sat down, obviously they presented reasons why they felt it was necessary to allocate the \$74 million.

We've been very clear from the beginning: We see this as an investment in our athletes in Ontario. I know you look at the Pan Am Games as a second-tier sporting event, and I know that you've said, "Why is anyone cheering for these games?" Well, we believe in our athletes. We believe in building the infrastructure for future athletes. We believe that Ontario deserves to have these games. We are 100% committed to ensuring that our athletes, both today and in the future, are successful, that people cheer for them and that we put on a first-tier operation.

Mr. Todd Smith: Okay. You sounded like Minister Chan right there. I certainly am supportive of the athletes. Our party is very supportive of the athletes. We want to see these games—

Hon. Michael Coteau: Well, you see them as a second-tier set of games.

Mr. Todd Smith: —be a success. But I can tell you that under the leadership—

Hon. Michael Coteau: You see them as second-tier games, and you said clearly in the Legislature—

Mr. Todd Smith: —of your government, these games have been anything else than professional.

The Chair (Ms. Cindy Forster): Order.

Hon. Michael Coteau: Well, these are the same folks who wake up every single morning, 4 a.m., day after day—

Mr. Todd Smith: We're talking about your credibility, not the credibility of the athletes.

Hon. Michael Coteau: —to qualify for the Olympics through these games.

Mr. Todd Smith: I have another question about security.

Hon. Michael Coteau: That's an incredible feat for these athletes who have put 15 years into training. To say "Why would anyone cheer for these games?" is just beyond me.

Mr. Todd Smith: Nobody's cheering for this government's performance on these games. You can say "transparency" over and over again, but there's certainly no transparency.

Hon. Michael Coteau: Well, you can criticize the government, but please, our athletes out there are—

Mr. Todd Smith: Let me ask you this, because when it comes to transparency, I want to ask you about this—

Hon. Michael Coteau: —people we believe in.

The Chair (Ms. Cindy Forster): Order.

Mr. Todd Smith: I want to ask you about this. Yesterday, you said, as Mr. Miller alluded to earlier, that there was no cap on security. We agree that we want these games to go off well and be safe for the people who are attending the games, and for the athletes and officials as well. I'm just wondering if you have any idea if the same sweeping powers that were granted to the police and the G20 security officials will be granted to those who are providing security for the Pan Am Games when they come around next summer.

Hon. Michael Coteau: Again, these questions are the same questions we heard yesterday, and if you look through Hansard, you'll be able to find the same answers.

We believe that we have a responsibility to work with the OPP to ensure that the people of Ontario are safe, at any time—

Mr. Todd Smith: That's not what I'm asking; I'm asking if they're going to have the same powers.

Hon. Michael Coteau: During the games, we want to ensure that our citizens here in Ontario are safe. If the OPP comes back and they say that there's a threat level that is adjusted or there are other considerations that weren't considered originally, then we'll have that conversation. But this is an estimate. This is an estimate. An estimate is based on the best possible scenario based on the information they have—

Mr. Todd Smith: No, I realize that. I'm just asking you if you have any idea if the officers and the security that are in charge of the Pan Am Games are going to have the same sweeping powers that officers had during the G20 summit—if you know that. If you don't know, please just say you don't know. But I'm just wondering if you know if they will have those same sweeping powers. Yesterday, you said that it's not like the G20. You said this is a sporting event; it's like going to a Blue Jays game.

Hon. Michael Coteau: That's right.

Mr. Todd Smith: So I just want to know if that is the case or if these officers will have the sweeping powers—

Hon. Michael Coteau: The OPP will work within provincial legislation and rules that are out there. To my knowledge, there have not been any special powers that have been granted to the OPP for these games—to the best of my knowledge.

Mr. Todd Smith: Okay. I know Mr. Hillier had some questions he wanted to get in.

Mr. Randy Hillier: Minister, yesterday, your deputy, if I heard correctly, said that all the annual reports for 16 of the 19 agencies were with the ministry. Would the minister make those available to the committee, those annual reports?

Hon. Michael Coteau: I'll turn it over to the deputy.

Mr. Steven Davidson: I'd be happy to speak to the process, which—

Mr. Randy Hillier: No, no. You said yesterday that you have them.

Mr. Steven Davidson: Well, we have them.

Mr. Randy Hillier: Yes. Would you make them available to the committee?

Mr. Steven Davidson: The process is that upon receipt, the ministry reviews them, makes a recommendation to the minister, who is obliged to present them to cabinet prior to tabling in the Legislature. I'm not aware that we would have the ability to provide those in advance of them being provided to the Legislature.

Mr. Randy Hillier: Do you have an expected time frame when they will be tabled with the House?

Mr. Steven Davidson: I'll get back to you on that pretty quickly. As I said, we have received them all for 2012-13; 2013-14 are coming in.

Mr. Randy Hillier: That's fine. Sure.

Again yesterday, Deputy Minister, you stated that the expansions for the MTCC since 2012 that are mandated to be reported quarterly are with the Integrity Commissioner—

Mr. Steven Davidson: No; they've been reviewed by the Integrity Commissioner, I'm advised. They would go in batches to the Integrity Commissioner's office, back to the agency, which then posts them on the website. I'm advised that up to—I think it was June, I said yesterday—has now cleared that process and will be posted, they were anticipating, later this week.

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Mr. Randy Hillier: So they have gone back to the MTCC, but they have not yet been posted online?

Mr. Steven Davidson: That's my understanding.

Mr. Randy Hillier: Would you make those expenses that have been reviewed by the Integrity Commissioner available to this committee?

Mr. Steven Davidson: The ministry does not have those. This is an obligation that the Metro Toronto Convention Centre has under its own constituting authority—

Mr. Randy Hillier: Okay, so you can't make those expenses—

Mr. Steven Davidson: Well, we don't—I'm not aware that we have those within our custody.

Mr. Randy Hillier: Okay. That's fine. Of course, it's very disturbing to all of us that expenses that are to be reported quarterly and posted quarterly are left in the review process for two years; eight quarters is not one quarter, and that's what has happened with the MTCC.

Yesterday, as well, you mentioned that 15 of the 16 annual reports for 2011-12 were reported on and made public. However, we have not seen the annual reports for Ontario Place, either, for 2011-12. Deputy, can we ensure that all of these annual reports are with the committee, in due process, and that they are posted online in accordance with the mandate of your ministry?

Hon. Michael Coteau: We will follow all the rules that the Legislature has outlined in order to ensure that all of the annual reports go through the process that is outlined by the Legislature. There are rules that we have to follow, and we'll follow it.

I just want to say how proud I am of our agencies that—

Mr. Randy Hillier: You haven't followed the rules so far, so why should I expect that you're going to follow them tomorrow?

Hon. Michael Coteau: Yesterday we talked about the Metro Toronto Convention Centre. I know that you made an error in saying that they're allocated \$46 million—

Mr. Randy Hillier: You haven't filed the expenses, you haven't filed the annual reports, so—

Hon. Michael Coteau: —but this is an agency that we are proud of and that has been able to contribute \$6 million back into the public purse. We're quite proud of their accomplishments.

I know that the deputy wants to talk a little bit more about your specific question.

Mr. Steven Davidson: The minister's comment about the Metro Toronto Convention Centre is absolutely true, but unfortunately I wasn't accurate yesterday when I responded to your question. I apologize for that. In fact, I'm advised now that the Metro Toronto Convention Centre annual report for 2011-12 has been tabled—was tabled—and it is the Ontario Place 2011-12 annual report which is outstanding.

Mr. Randy Hillier: Still outstanding. It would be nice to get accurate information here.

Mr. Steven Davidson: Yes, so I do apologize for that.

Mr. Randy Hillier: What this committee is all about is examining and scrutinizing the methods and means in how you spend taxpayers' money. Clearly you guys haven't got a clue what you're doing with your agencies. You don't know what reports you have, which ones you don't have, who's filing expenses, who's not filing expenses or where the hell they are.

Mr. Steven Davidson: There's a process that's in place—

Mr. Randy Hillier: I want to make sure that this committee gets the proper documentation—that you actually do follow the process and follow your mandate that you haven't been doing so far, so that this committee can vote intelligently on what you're asking for with your budgets, with supply.

Hon. Michael Coteau: I think that the deputy was very, very clear yesterday. In fact, he said, "For the year 2012-13, all 16 annual reports are in progress and will be brought forward for tabling very shortly." We're following the process, and he has been very clear. Yesterday he said that. He was very clear that we're now in a position for receiving them from our agencies. The 16 reports are in progress.

Mr. Randy Hillier: We have reports that are two years out of date, that haven't been made public. You've got all the reports, supposedly, from 2012-13, which are not made public. They're still—like this review process with the Integrity Commissioner, of two years on a quarterly—

Mr. Steven Davidson: No, the Integrity Commissioner doesn't review annual reports.

Mr. Randy Hillier: No, look, the expenses, but you guys have those annual reports—so you say—for the 16 of your agencies. The public hasn't seen them. Nobody else has seen them. You talk the story of transparency, you talk the line of openness, but you've got all the

annual reports buried so none of us on this committee can scrutinize—

Hon. Michael Coteau: Let's get back to reality for a second here. Let's get back to reality. There is a process in place by the Legislature and we are complying with that process. We have our annual reports that are moving through the process, and the deputy has been very clear that they are going to be tabled. There are 16 that are in progress and they will be tabled.

Mr. Randy Hillier: The 2011, 2012 and 2013 Ontario Place reports are not online. Metro Toronto Convention Centre reports: not online since 2011. You guys are not following the process. What I'm calling for is that you actually do: You get this documentation into the public realm, into the public arena, and allow it to be scrutinized by this committee, and if you can't do your mandate, Minister—I know you talk like doing little bedtime stories about the Pan Am Games. I'm interested in you doing your job, upholding your mandate, and actually delivering openness and transparency to the people of Ontario.

Hon. Michael Coteau: You know, you talk about accurate information. Yesterday, you stood at this committee and you said that we were giving \$46 million to the Metro convention centre.

Mr. Randy Hillier: The 2011, 2012 and 2013 reports are not filed.

Hon. Michael Coteau: You actually stood in this room and you said that this government, based on the document that we provided, is giving \$46 million.

Mr. Randy Hillier: Let's not shift—

Hon. Michael Coteau: You were wrong.

Mr. Randy Hillier: No, no.

Hon. Michael Coteau: You said that we were giving them—

Mr. Randy Hillier: Minister, will you make those reports available to this committee?

Hon. Michael Coteau: —and the fact is, I told you, and I was very clear, that the Metro Toronto Convention Centre actually returned \$6 million back to this government.

Mr. Randy Hillier: Will you make those reports and those expenses available?

The Chair (Ms. Cindy Forster): Order.

Hon. Michael Coteau: You would think that the Conservatives, of all parties here, would be so proud of the fact—

Mr. Randy Hillier: Your mandate letter means absolutely nothing.

Hon. Michael Coteau: —that they are actually giving back.

Mr. Randy Hillier: The Premier's mandate letter means absolutely nothing to you. Right?

Hon. Michael Coteau: The mandate letter from the Premier of Ontario—

Mr. Randy Hillier: Uphold it.

Hon. Michael Coteau: —is the actual document that I will live up to and carry forward. It is my mandate as the minister.

Mr. Randy Hillier: Economic analysis, fiscal prudence, openness, transparency: You're failing. You've got 19 agencies under your administration. You don't give a tinker's damn what they are doing. You're not giving any information to this committee or to the public. You're just whitewashing it and saying, "Ah, process. It's process."

The Chair (Ms. Cindy Forster): Mr. Hillier, you have about two minutes.

Mr. Randy Hillier: Process leads to an objective and to an end, not a never-ending journey of BS. Right? So will you provide those annual reports? Will you make sure that the expenses are posted online? Will you uphold your obligations that the law compels you to do?

Hon. Michael Coteau: Well, we—

Mr. Randy Hillier: Will you uphold the law that you are compelled to do as a minister of this crown?

The Chair (Ms. Cindy Forster): You have one minute, Minister.

Hon. Michael Coteau: What we will do, and what we always do as a government, is follow the rules outlined by the Legislature of Ontario. I have an obligation, as the minister, to follow the law of this Legislature. We are very confident that we will follow process and be able to table our annual reports here in the Legislature, and at that point you will be able to look through them and you will be able to go through the numbers yourself.

We have a process in place during question period and there are other methods you can use through committee to talk about those and challenge the government, and I would expect you to continue, as one of the critics of this government, to continue to challenge us on those pieces. That's how we ensure accountability.

Mr. Randy Hillier: Well, let me give you one more challenge, then.

Hon. Michael Coteau: Our Premier has been very clear—

Mr. Randy Hillier: You've got a half-million—

Hon. Michael Coteau: Our Premier has been very clear that she wants the most transparent and open government here—

The Chair (Ms. Cindy Forster): Time's up, Minister. Interjections.

The Chair (Ms. Cindy Forster): Mr. Hillier, time's up.

Third party: Mr. Miller.

Mr. Paul Miller: Thank you. Now you get the nice guy. Okay? All right.

I'm back on to the severances again, Minister. Can your deputy minister or yourself tell me the total severance packages that are or will be paid out to executive management levels at TO2015?

Hon. Michael Coteau: I'll turn that over to the deputy.

Mr. Steven Davidson: And I'll ask Nancy to come up while I look.

Just to clarify the question, so the total of the severance costs for the two executive vice-presidents and the former CEO?

Mr. Paul Miller: No, that's not my question. My question was, we already know what's going on there; we heard. There are other people that you have mentioned, other executives, other members of TO2015, who have signed contracts with you guys.

Mr. Steven Davidson: Well, with TO2015.

Mr. Paul Miller: Whatever. My question was, how much is it going to be, total? If they all finish their mandate, or don't finish their mandate, how much is it going to cost the taxpayers to pay out all these people who are on the payroll? What's the end result? Have you got any numbers on that?

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Mr. Steven Davidson: If the individuals who were hired under time-limited contracts complete their contract, then my understanding would be that they would not be entitled to any severance at the completion of those contracts.

Mr. Paul Miller: Yes, but if they quit a week before their mandate is done, they get a severance.

Hon. Michael Coteau: You're talking about the bonuses, correct?

Mr. Paul Miller: No, I'm talking about all the compensation that will be paid to those people who are still there who will be leaving whenever—either too early or too late or whatever. I want to know how much we're on the hook for, for those contracts, for all those people who are remaining. I already know about the two we've talked about. You have no numbers to tell me.

Hon. Michael Coteau: I just want to be clear, Mr. Miller. There are two separate pieces. If you quit your job today, you get a severance, right? If you quit your job, there's a process based on the contract. If you complete the job and you actually reach the deliverables—

Mr. Paul Miller: You get your bonus.

Hon. Michael Coteau: —there's a bonus.

Mr. Paul Miller: Right.

Hon. Michael Coteau: So what specifically are you asking?

Mr. Paul Miller: How much? How much do they get for bonuses? How much would they get for severances? If I quit a week before my mandate is done, do I get a severance?

Hon. Michael Coteau: Bonus is based on performance—

Mr. Paul Miller: Do I get a severance?

Hon. Michael Coteau: Do you get a severance?

Mr. Paul Miller: If I quit a week before my mandate is done.

Hon. Michael Coteau: Are you talking about Mr. Miller?

Mr. Paul Miller: Come on, Minister, give me a break. Not me personally; the people who are there: TO2015. You're avoiding the question. How much is the compensation? How much is the bonuses? How much could it cost us? You're great at estimates. You're great at projections. Give me a projection.

Hon. Michael Coteau: Okay. It's a completion bonus. You can't really answer that question because if, for ex-

ample, you don't reach your financial targets, then the board will be able to—

Mr. Paul Miller: You're either going to get a bonus or you're going to get severance.

Hon. Michael Coteau: No, that's not necessarily true.

Mr. Paul Miller: One or the other. You're not—

Hon. Michael Coteau: Let me try to explain it.

Mr. Paul Miller: You're not telling me.

Hon. Michael Coteau: Do you want to listen?

Mr. Paul Miller: Yeah, sure.

Hon. Michael Coteau: Okay. Let me try. The bonus structure is based on performance. If you do a good job and you reach your deliverables, you're issued a bonus. If you don't do your job well, then you don't get the bonus.

Mr. Paul Miller: What do you get? Severance.

Hon. Michael Coteau: No. Severance is usually—

Mr. Paul Miller: So you're telling me that Ian Troop did a good job? You fired him. Did he get a bonus?

Hon. Michael Coteau: A severance is usually a departure pay, based on a specific circumstance.

Mr. Paul Miller: Did he get a bonus or a severance, Troop? Or did he get both?

Hon. Michael Coteau: I believe he was issued a severance upon being removed from that position.

Mr. Paul Miller: That's all I've asked you. What will it be, either severance or bonus? What will the total be for the existing—

Hon. Michael Coteau: Hypothetically, from this point forward—

Mr. Paul Miller: Hypothetically? It's not a hypothetical.

Hon. Michael Coteau: —I'm assuming the severance could be zero.

Mr. Paul Miller: What?

Hon. Michael Coteau: It's based on a circumstance, correct?

Mr. Steven Davidson: Yes. I think the expectation is that the team that is in place now will be there.

Mr. Paul Miller: You know when they're done. They could quit a week before.

Hon. Michael Coteau: You don't get a severance on the completion of the contract. It's based on a bonus structure. That's what my assumption is.

Mr. Paul Miller: Well, I don't know. Either we're not communicating well here—I've said—now I'm going to reiterate for you. Either you get a bonus for your job well done—

Hon. Michael Coteau: So let's talk—

Mr. Paul Miller: Just a minute. For a performance, you get a job well done. If you don't get that, you get a severance if you leave early. Is that correct? I've asked you what would be a realm of possibilities, with your estimates and your projections—what would be the payout, the final payout, for all these people?

Hon. Michael Coteau: That is too hypothetical—that's a hypothetical question. There are so many different circumstances—

Mr. Paul Miller: It's not hypothetical. Either you're going to get one or the other.

Hon. Michael Coteau: If you're fired, it's a different condition than if you finish the contract. So how could you answer that question? It's based on two different scenarios.

Mr. Paul Miller: This is a beautiful dance you're doing.

Hon. Michael Coteau: It's two completely different scenarios.

Mr. Paul Miller: Listen, you get a bonus for performance, you said. Okay, if I stay there in the job and I perform well, I get a bonus.

Hon. Michael Coteau: Yes.

Mr. Paul Miller: Ian Troop did not perform well, and the other person you let go—you fired them—he got a huge severance. So did that lady. She got a huge—

Hon. Michael Coteau: Well, TO2015 is responsible for HR, not the government.

Mr. Paul Miller: They got a huge severance. They were supposed to complete the whole year. They were supposed to stay a year after, and they didn't. They left a year early and got a huge severance. All I'm saying to you is—call it what you like: bonus, severance, whatever you're giving the people who are still there—what are they going to get?

Hon. Michael Coteau: It is impossible to answer the question.

Mr. Paul Miller: Why?

Hon. Michael Coteau: It's hypothetical, because you're talking about severances—

Mr. Paul Miller: You mean you didn't sign a contract with them?

Hon. Michael Coteau: —and you're talking about bonuses.

Mr. Paul Miller: Why can't we see the contracts you signed with them? I want to see the contracts.

Hon. Michael Coteau: We've gone through the transparency—

Mr. Paul Miller: Can I see the contracts? Can I see—

Hon. Michael Coteau: We have gone through the transparency—

Mr. Paul Miller: No, you haven't done the contracts.

Hon. Michael Coteau: We have gone through a transparency process—

Mr. Paul Miller: I want to see the contracts.

Hon. Michael Coteau: —and I can go through every single item in the transparency that will provide—

Mr. Paul Miller: You're not answering.

Hon. Michael Coteau: —any piece of information that you want.

Mr. Paul Miller: Okay, you won't show me the contracts. I got it.

Hon. Michael Coteau: You go through that transparency process.

Mr. Paul Miller: Let's move on.

Hon. Michael Coteau: Let's go to the next question.

Mr. Paul Miller: Let's go to the next question because I'm not getting anywhere with this one.

Interjection.

Mr. Paul Miller: I hope it's clearer; you'd better believe it. Transparent, remember?

Here's a good question for you.

Interjections.

The Chair (Ms. Cindy Forster): Miss Taylor?

Miss Monique Taylor: Thank you, Chair. I believe my colleague—I think it was Mr. Smith—was talking about the G20 law previously and—

Hon. Michael Coteau: Sorry, what's that one?

Miss Monique Taylor: The G20 law—

Hon. Michael Coteau: Yes.

Miss Monique Taylor: —and whether that would be used during these games. I recall in the last session that we were debating this law and hoping that it wouldn't be used again, and that it was supposed to be taken out of the laws. Will your government ensure that this G20 law is not in existence before these Pan Am Games?

Hon. Michael Coteau: I'm the minister responsible for the Parapan Am Games, and what I've said—

Miss Monique Taylor: Okay, that's fine. Will you go to the Premier?

Hon. Michael Coteau: —and I've been very clear that, to the best of my knowledge, there is no special arrangement or legislation that is being crafted or created or being used to change the current scenario.

Miss Monique Taylor: But it still exists, and you do sit at the table. Will you go to the Premier and ask that this law be brought up to—

Hon. Michael Coteau: I think that's a question that would be appropriate for the ministers responsible for that file: the Attorney General and Yasir Naqvi. You can ask them. But I'm saying, in relation to—

Miss Monique Taylor: But Minister, you're in front of me today. Can you please do that?

Hon. Michael Coteau: I'm not going to speak on behalf of other ministers. What I can speak to is the Pan Am/Parapan Am Games and the security measures that have taken place.

The question was very clear: Will there be special laws in place for the Pan Am Games? To the best of my knowledge, I haven't been briefed on that. Maybe I can turn it over to the deputy to bring some clarity on that.

Mr. Steven Davidson: Sure. I think, just to reinforce the minister's response, this is the responsibility of the integrated security unit under the Ministry of Community Safety.

Miss Monique Taylor: Right, but he is the minister responsible for the Pan Am Games.

Mr. Steven Davidson: Right. We don't have information about whether or not that particular power—

Miss Monique Taylor: So we're working in silos again.

Mr. Steven Davidson: —continues to exist or would be invoked. I'm sorry, we can't respond to that.

Mr. Paul Miller: I'm glad you opened up the security envelope because now we can discuss—it's my understanding that there are actually two types of security. There's going to be external and internal, I've been told—two different budgets, which I didn't see before.

Now we've got internal and external that haven't been signed, is that correct? There are two different security systems going to be in place. That didn't show up in your preliminaries.

Mr. Steven Davidson: What we talked about in the technical briefing last week, and I'm not familiar with an internal-external division—

Mr. Paul Miller: Two different responsibilities for internal and external.

Mr. Steven Davidson: —but we did clarify in the technical briefing last week that the province's responsibility is for the security of the public, so that is the \$239-million ISU budget.

Mr. Paul Miller: Which will go up.

Mr. Steven Davidson: There's a much, much smaller security budget within the games organizing committee's budget, and that is simply for them to ensure the security of their assets: the games venues overnight, sporting equipment, that kind of thing. So I think—and we talked about this in the technical brief—there has been maybe a little bit of confusion over that, but TO2015 actually has a very, very narrow specific security responsibility.

Mr. Paul Miller: I don't have numbers on that, but okay, I'll take your word for it. I don't have numbers on the internal security costs.

Mr. Steven Davidson: But I'm not aware of an internal-external.

Mr. Paul Miller: Anyway, next question: New funds were recently granted to establish, as you said, the satellite villages, to house athletes in university residences and local hotels in Welland, Hamilton and Innisfil. We've been told that the mega-transportation plan would ensure that athletes and spectators would easily be transported to the competitive venues, but now it seems it will take too long for the athletes to get there, so you've made changes. Does this mean that we're going to have a significantly improved transit system that should handle getting anyone to the venues on time? Are we going to go ahead with those changes to the transportation? And why are we rushing this diesel-fired air-rail link to Pearson airport for the Pan/Parapan Am Games if we'll be insufficient to move the athletes and spectators to venues in Caledon and Milton?

Hon. Michael Coteau: Thank you very much for the question. With transportation, there has been a plan put in place. Some of the goals that we're attempting to achieve are a 20% reduction in traffic and the establishment of specialized HOV lanes.

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Also, one of the innovative steps they're taking is, included in the actual tickets to the Pan Am Games and the Parapan Am Games will be the ability to use transit. So you buy a ticket, you have access to transit. So we're going to encourage people to use public transit rather than driving down to the specific venue. We'll also be working with Smart Commute. We're very proud of the work that the secretariat, TO2015 and the ministry have been able to do to actually save millions of dollars when

it comes to transit and traffic planning during the games. We're quite confident we'll be able to reach those targets.

Mr. Paul Miller: Okay. My next question is regarding the operation estimates for Ontario Place Corp. It's listed at just over \$2 million for 2014-15. That estimate is down from 2013-14. That's good, I guess, but the actual interim operating costs this year are listed at \$3 million plus that amount, at \$6.61 million. What happened with this dramatic jump, the actual expense versus the estimated cost? And I'd like to know, what is the AFP process for Ontario Place—security, for instance; have you gone out for private contracts on that site?

Hon. Michael Coteau: There are a few references, I believe, in the book. Which page specifically are you referring to, Mr. Miller, in the estimates book?

Mr. Paul Miller: I don't have the page—

Miss Monique Taylor: Page 51.

Mr. Paul Miller: Page 51.

Hon. Michael Coteau: Page 51? No, there's nothing there.

Miss Monique Taylor: Page 50.

Mr. Paul Miller: Sorry, it's page 50.

Hon. Michael Coteau: Page 50? No, I don't think that's the right page.

Mr. Steven Davidson: Yes, it is.

Hon. Michael Coteau: Is it?

Mr. Steven Davidson: Yes. The estimate for 2014-15, the \$2 million, that's the projected government transfer to Ontario Place. Ontario Place does continue to operate revenue-generating business lines even though they are no longer open. They continue to operate the marina. They contract out for the Molson Amphitheatre, the Atlantis pavilion and parking lots. So they generate revenue, but the government continues to provide operating support, and this year it's projected to be \$2 million. The estimate last year was projected to be \$2 million, but the actual was \$6 million, and the difference was, I believe, based on cash flow. And in the year that Ontario Place closed, there were, of course, closure costs associated with that. Those were not fully expensed in the year of closure, and some of those were carried over into this year. So that's why the 2013-14 actuals are higher. We didn't know that at the beginning of the planning cycle when we were projecting—

Mr. Paul Miller: But that's a huge jump, to \$6 million.

Mr. Steven Davidson: It's about a \$4-million difference between what—

Mr. Paul Miller: That's huge. That's after it closed.

Mr. Steven Davidson: Those were the—

Mr. Paul Miller: Closure costs?

Mr. Steven Davidson: —costs of closure.

Mr. Paul Miller: Four million dollars?

Hon. Michael Coteau: I don't know if you've been to the site—

Mr. Paul Miller: I've been there a couple of times, yes.

Hon. Michael Coteau: —but it's 150 acres in downtown Toronto, off the water. Closing any type of site with that type of infrastructure and personnel and that much

space obviously is going to be a very complicated endeavour.

Mr. Paul Miller: What about the security for the site?

Hon. Michael Coteau: What do you mean, what about the security?

Mr. Paul Miller: The security of the site. What's going on there? What contract is that? Who's paying for that?

Hon. Michael Coteau: That would be through the actual Ontario Place Corp.

Mr. Paul Miller: Is that part of the \$4 million?

Mr. Steven Davidson: That's part of their ongoing operating costs. As they continue to operate business lines, they continue to ensure that the facility is secure, so they have security resources that they deploy.

Mr. Paul Miller: We have information that the security has been let go.

Mr. Steven Davidson: No, they have issued a—

Mr. Paul Miller: Private contract?

Mr. Steven Davidson: Right, a request for services, and they are going to join the mainstream of other operational enterprise agencies and contract out for their security services. That's going to give them better flexibility as they manage during this time of partial closure.

Mr. Paul Miller: Okay. I guess a new line of questioning: What types of programs have you put in place to boost ticket sales? Is that costing anything—hidden costs that we don't know about?

Hon. Michael Coteau: Ticket sales for Pan Am/Parapan Am—for Ontario Place?

Mr. Paul Miller: No, for Pan Am.

Hon. Michael Coteau: So the question is, what have we done to—

Mr. Paul Miller: Boost tickets.

Hon. Michael Coteau: —boost tickets? I was so proud to hear that in the initial 48 hours there were 75,000 tickets that were sold, so I thought that was a huge accomplishment for TO2015. They actually had a launch recently with Pinball Clemons, and Wendel Clark was there. We had some Olympic gold-medal athletes who were there to really promote the games. But the tickets are on sale and I'd be happy to share the current numbers, but—

Mr. Paul Miller: Can I ask you a question, Minister, about the 75,000—

Hon. Michael Coteau: Well, there's a marketing strategy.

Mr. Paul Miller: But I'm just saying you seem proud of 75,000 tickets.

Hon. Michael Coteau: It's fantastic.

Mr. Paul Miller: That's not very good.

Hon. Michael Coteau: We thought it was a great accomplishment.

Mr. Paul Miller: The soccer stadium alone holds 24,000 people per game.

Hon. Michael Coteau: We're talking about the first 48 hours.

Mr. Paul Miller: Just let me finish. You've got the velodrome; you've got the rowing in Welland; you've got the equestrian riding north of Toronto. You've got all

kinds of other venues—boxing in Oshawa—and you think that 75,000 tickets is good?

Hon. Michael Coteau: I'm talking about the first 48 hours.

Mr. Paul Miller: Minister, if you break that down over the entire games and the venues, that's miniscule, my friend. You're going to need a heck of a lot more than 75,000 tickets to—

Hon. Michael Coteau: We were very, very proud that within the first 48 hours of sales—75,000 tickets. We're going to continue to build on this.

We're 10 months away—

The Chair (Ms. Cindy Forster): Mr. Miller, you have two minutes left.

Mr. Paul Miller: Thank you.

Hon. Michael Coteau: The other interesting thing about the tickets is that more than 75% of the tickets will be sold for under \$45, so they're affordable and accessible, and we'll continue to build on it.

Mr. Paul Miller: Have you done anything to stimulate private sponsorship? You said you fell short. What process is in place to encourage more involvement by corporate sponsors? What are you doing right now? Have you just said, "Okay, that's it; we can't raise any more," or are you doing anything to attract new sponsorship? What are you doing?

Hon. Michael Coteau: TO2015 is responsible for sponsorship. They've been able to generate and raise over \$100 million in sponsorship. Their goal was a bit higher than that, but it's the most ever raised in the history of the Pan Am/Parapan Am Games. So far, CIBC is the lead sponsor. Our premier partners are Chevy, Cisco and Loblaw. We have Cirque and CBC. We're very proud. We've got some top-tier sponsors. To raise over \$100 million from corporate Canada for these games to us is a huge accomplishment, but the goal is to raise more and we're going to continue moving down that pathway.

Mr. Paul Miller: Thank you.

Hon. Michael Coteau: Thank you.

The Chair (Ms. Cindy Forster): We'll move to the government. This is the last round. Ms. McGarry.

Mrs. Kathryn McGarry: I live in the beautiful riding of Cambridge, and I've been there for almost 30 years now. What I've noticed is that there's quite an increase in festivals and events in the riding of Cambridge. We've had our usual highland games, and the Mill Race folk festival that was in its 16th year this year. The Mayor's Celebration of the Arts has gone on for 13 or 14 years. But this year in particular, I've noticed quite an increase in festivals and events in Cambridge. I was very pleased to go to the first annual tasty ribfest that we had in Cambridge, and we've also launched the first international festival just this past weekend. We've got the studio gallery and art tour that goes on every year. So I've noticed kind of an increase in festivals and events in Cambridge and, I think, throughout the area.

Minister, would you outline for our committee how festivals and events actually contribute to our economy?

Hon. Michael Coteau: Thank you very much for the question. Over the last three months I've had the opportunity to get out to different communities and experience different festivals, cultural shows and activities. Even last night, being at the Ontario Art Council's reception yesterday, it was just astonishing to meet the folks that are part of that creative sector, part of the arts sector that contribute to festivals.

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I was saying to them that the big difference between the former ministry I was in, citizenship and immigration, and this ministry is that at the old ministry, you meet folks who arrive in Canada and go through the biggest challenges of trying to find the right school, trying to find the right home, trying to find the right neighbourhood. Obviously, immigration is sometimes a big struggle for a new family to Canada. But then the citizenship piece kicks in once they have gone through the immigration process, and that's the full participation in society, getting out to festivals, learning about the Canadian heritage culture.

If you go across this great province, there are some extraordinary things happening. These festivals contribute so much to our economy. They raise awareness on specific issues. They celebrate things that we're proud of that actually draw people to this country. I've had the opportunity to go to, of course, big festivals like TIFF and Caribana. Caribana attracts over a million people here to Toronto and contributes hundreds of millions of dollars back into our local economy. But even the smaller festivals—I was at the Brick Works a few weeks ago when they had the garlic festival. I don't know if anyone has ever gone there, but it's extraordinary. You get thousands of people coming through. They're exchanging recipes. They have different products that use garlic and talk about—there's an education piece to it. There's a whole education side to it. There's a whole piece around the celebration of different culture and heritage.

Our festivals contribute so much to our economy. In fact, in my remarks yesterday, I said that the tourism sector here contributes almost \$30 billion back into our local economies in the province of Ontario. They contribute so much to tourism. We had over 140 million people come to visit Ontario, moving around, seeing Ontario last year. That's something we're proud of as a ministry, because we contribute to that success. But we also work with our partners, who are the real champions of tourism, and they leverage tourism through culture and sport and many different—heritage, for example. So we're very proud. We also know that there are over 22,000 jobs that are directly connected to the sector, to festivals, and we're very, very proud.

I'd like to turn it over to the deputy. We have one of our assistant deputy ministers who can talk a bit about it.

I just want to say that I am so proud of the work that our festivals do here in Ontario, not only to educate, to preserve our heritage, to share different cultures, but really to help define who we are as Ontarians and really to speak to the things that make us proud as Canadians.

Mr. Steven Davidson: Thank you, Minister.

I'd like to introduce Richard McKinnell, who is the assistant deputy minister of tourism, policy and development. I'm going to ask Richard to provide just a little bit more detail around the nature of the Celebrate Ontario program that is the principal funder for festivals and events, and also some of the impact the program has had. I am also going to ask Richard to talk about the process for assessment. Yesterday, Mr. Hillier referenced the importance of ensuring sound economic analysis that's highlighted in the minister's mandate letter. We do that in assessing applications under all the ministry's programs, and Rick will just highlight how that's done in this case as well.

Mr. Richard McKinnell: Thank you very much, Minister and Deputy, and thank you to the member for her question.

I'm really delighted to talk a little bit about the Celebrate Ontario program. As the minister alluded to, it helps us celebrate a sense of pride and place in our province. It helps us celebrate and recognize great cultural, food and local experiences, heritage etc. But most importantly, it is an economic development program. As the deputy said, I will tell you a little bit about how we do the economic impact analysis, what we expect applicants and recipients of our funding to do in terms of economic impact analysis—and then ultimately that does make a stronger economy for us.

Just stepping back and talking a little bit about the Celebrate Ontario program, it is really designed to help festival and event organizers across our province improve and enhance their festival. It's about how to increase attendance and then, in turn, how to get those people to come, attend your event and make the difference and spend a little bit more money, which in turn helps local businesses.

Colleagues at the Ontario Business Improvement Area Association tell us that our programs, through festivals and events, which really do support some of those local festivals and street fairs in so many of our communities, makes the difference between a profit and a loss for the year. The people who are on the street for that Saturday afternoon, or that Sunday, stop in at stores and visit.

In terms of economic impact, the minister was correct: It contributes. In 2012, it was a \$28-billion industry in our province, but it does continue to grow.

With that, our recipients out of Celebrate Ontario—and they are required to report back to us about what they're seeing in terms of improvements and enhancements—reported in 2012 that they saw an 18% increase in the number of visitors that attended their events, which resulted in over \$206 million being spent, in addition to what it was.

Our program is really designed to help people grow that festival, attract more people and generate more economic impact. It's not a judgment on the success of any given festival when you apply, because there are hundreds—I dare say thousands—of successful festivals

across our province. Our application process is really designed to fund the enhancement and the improvement.

How we do that—of course, it's a very wide open application process. I should say that the application process for 2015 is currently open. We launched the program about two weeks ago, and the deadline date for 2015 applications is November 6. So if any of your local organizers and events want to apply, we would encourage them to do so.

The program is highly, highly competitive. Last year, in 2014, we received 441 applications. Based on the review of those applications against the set criteria—and I'll talk a little bit about that in a minute—we were able to announce, earlier this year, funding to 228 of those festivals, so approximately half, but that meant, obviously, that a number of them weren't successful.

When we evaluate an application, it is based on a very fair, objective process by our staff, who are trained to do evaluations. They look at a number of things, including the organization's capacity to be able to develop or deliver an event, and project information about what is being proposed, what kind of improvement. Does it seem to be a reasonable sort of thing? Would the provincial investment lead to a longer-term sustainability of the event and festival in that community?

We really zero in on performance measurement—it's that attendance, it's that spending, what the related economic impact is—so much so that we suggest to applicants, before they approach us with their proposal, that they visit our website. On the website, we have a tourism regional economic impact analysis model—we call it TREIM—and what that does is that it will calculate the economic impact of your proposed change or your festival. That's a big part of our analysis, and as per the reference to the minister's mandate letter that we should provide funding where there's an economic impact, we very much rely on that model. It is something that is publicly available. I would encourage people to visit that website and see the kinds of things we ask. Ultimately, it generates economic revenue for the province, which in turn can be invested in other key services and priorities.

Once the evaluation is done and we make the decisions around the funding—which can be difficult, because there are so many good festivals out there—we enter into a transfer payment agreement with each of our recipients. That is absolutely key: They are required to sign that agreement before we flow any money to them. We also retain a portion of the funding back, to ensure that the festival does occur and that they report in to us on that, at the end of the process. Those holdbacks are very important.

As part of the transfer payment agreement with each of those festivals, it spells out what we will provide and what we expect of them in terms of the things they'll report on—their performance measures, their increase in attendance. Based on that information, we are able to go back and calculate, using our TREIM model, as I referenced, what that economic impact would be.

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For instance, we know that according to the information provided by Celebrate Ontario recipients, for every dollar of program money that we have given our applicants, in fact, that triggers \$10 in additional spending by an attendee at an event. Then when you use the economic impact model, that generates \$1.57 in provincial tax revenues. That is a rate of return for our province of 57% of our investments through Celebrate Ontario, and does go a long way in addressing the statement in the minister's mandate letter.

Those are sort of some of the things that we do. We're very enthusiastic. I think we work hard with our applicants to make sure there's a wide range of festivals and events supported.

You referenced some in Cambridge. We really do support and fund everything from county fairs, the plowing match—that is so important to rural Ontario—to things like Caribana. The minister, in his opening remarks yesterday, referenced WorldPride and Toronto Pride, and how we have supported that. We are open to both rural and urban events, and certainly multicultural events. Francophones and First Nations are already priorities for us through the funding.

Maybe I could just talk a little bit about a couple of examples of projects. I hesitate to pick out one or two out of 228, because there are so many success stories.

Tall ships: In the last year, I think a number of you, and I know some of the members around this table, participated in tall ship events that I was part of last year as well. The tall ships event: We provided one-time funding to the organizers of those events. That brought over a million visitors to our waterfronts. The funding went to 15 different communities that hosted events.

I was in Hamilton the evening that the tall ships were there, but they visited St. Catharines, Brockville, Owen Sound, Sault Ste. Marie—the list went on and on. A million visitors to our waterfronts were able to take part and celebrate some of the great improvements that we've made to our waterfront communities. It also generated a lot of interest in the heritage and the culture and the local food of those areas. In each of those cases, not only was it about the ships and seeing them, it was also about that community's role in the War of 1812 etc. It was a huge success. It wasn't just one event; it was in fact 15 different events over the course of an entire summer, which was very beneficial to us.

Another one that I'd like to talk about, maybe very briefly, if I could, is the Burlington Sound of Music Festival. We've had the privilege of being able to work with those organizers over a number of years. Certainly, we've provided some support to them. In 2014, they're actually receiving \$106,000, but that's less than some of the other years that they've received.

I don't know if people have attended it, but it's a hugely successful event. They estimate, based on their numbers and using our economic impact model, that they've had an economic impact of \$1.1 million, and that's just Burlington alone. They have 22 full-time jobs supported by

that event. It attracts, obviously, not only people from the Burlington-Hamilton area, but they feel that they have over 5,000 visitors from other parts of the province and even some international, which is great. Each year, of course, obviously, the beach in the Burlington area really comes alive. It's free concerts; it's five days—but again, back to \$1.1 million in economic impact, which is significant, of course.

Just another one I wanted to talk about, if I could, is the Ottawa Folk Festival. That's another one that we have funded over a number of years. Through our funding, the organizers have been able to expand their festival. They've increased the capacity of the park from 15,000 up to 20,000, to 25,000, and now it's currently 30,000. This meant a really important expansion in that program.

In 2013, compared to 2012, tourism visitor spending for that festival alone grew to \$1.4 million. It was \$1.4 million, which was a \$400,000 increase over the previous year. The overall economic impact has grown to \$2.8 million, with a gross domestic product of \$2.1 million, and that's a big increase over 2012.

Those are some of the successes we've been having. Certainly for WorldPride, I think the estimates—and we're still waiting for the final report because the event just happened earlier this summer. We understand that there were 1.8 million visitors to those events over the course of the year. It was obviously important to celebrate Ontario as a welcoming destination—certainly welcoming our diversity—our tolerance and as a champion of human rights.

Other things that we funded too would include that the Windsor-Essex area hosted the International Children's Games last year. Those games alone attracted over 1,600 athletes from 80 cities and 31 different countries from around the world.

I could go on and on, but I want to turn it back to the minister at this point. Thank you, Minister.

Hon. Michael Coteau: Thank you. I think there's another question. Are there any other questions? We've got one over here.

The Chair (Ms. Cindy Forster): Yes, Mr. Ballard.

Mr. Chris Ballard: Thank you very much. Through you, Madam Chair, to the minister: I'm new to this committee, and I have found yesterday's discourse and today's events very enlightening. I appreciate the information that you and your staff have put forward on a variety of topics as good background and good detailed information. So I'd like to thank you and your staff for pulling all of that together. It's been very good.

Hon. Michael Coteau: Thank you.

Mr. Chris Ballard: Frankly, I'm quite confident in your stewardship of the Pan/Parapan Am Games. I view them as a top-tier sporting event, and the athletes, of course, have my full support, as they do our members'.

I was also impressed yesterday to hear about the facilities that are being built and have been built. The question I have, because I look forward to what's to come:

How are these facilities going to be used when the games are finished?

Hon. Michael Coteau: Thank you very much for the question. Back in 2008, I guess the folks who came around the table to put together a bid really wanted to look for ways to leave some legacy out of these games. The fact that we've been able to work with the federal government—and I think this is a perfect example of two levels of government really working together to get this right. The fact that we've been able to leverage half a billion dollars to invest in infrastructure here in the province of Ontario I think is a great accomplishment. Working with our 16 municipalities and their taking a strong leadership role in the Pan/Parapan Am Games—again, it's been a huge accomplishment.

I gave an example yesterday of one of my site tours down to the Scarborough aquatics centre. It's incredible to see the city of Toronto and the University of Toronto working together to form a new organization to administer that building. I think it's the first time in the history of this province that—and I believe there was actually a regulatory change in order to allow that to happen. Often, governments all around the world or different organizations are accused of working alone. I think this is a perfect example of our government taking a leadership role to bring people together to build infrastructure and to bring organizations together.

You take that building, this impressive building that was built on a former dump, and to transform that section of Toronto and Scarborough—it's transformed the neighbourhood. I know Bas Balkissoon, who is sitting next to you, will know first-hand that infrastructure investment in Scarborough is a big priority of his and the members from that area. This is a great example of infrastructure investment.

You walk into the building and you will see many organizations using it. You'll see hundreds if not thousands of people within the building taking advantage of the state-of-the-art weight and fitness centre. There's community space that's available for community-based organizations, different boardrooms. It's really just a hub of activity.

You'll see, of course, the track being used, the state-of-the-art basketball courts that are there. It is now the new home of the Ontario wheelchair basketball association, so they're in the facility.

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The leadership of the Canadian Sport Institute Ontario and the fact that we made, I believe, an \$8-million contribution to them to call that, I believe, 32,000-square-foot section that they have access to home, meeting the CEO—

The Chair (Ms. Cindy Forster): Excuse me, Minister. Could you wrap up? We're at the end of the 20 minutes. Thanks.

Hon. Michael Coteau: Yes. Thank you very much, Madam Chair.

Seeing people—

Interjection.

Hon. Michael Coteau: I wish we had another hour. But to see different folks and associations in that building is incredible. You know what? Any of the members of the opposition who want to go down to that building and take a look, I would love for you to join me. You will be so impressed with the fact that Ontarians, all of us—that this government has been able to accomplish this.

Thank you very much, Madam Chair, and I thank the committee members for their time and questions. I appreciate the opportunity to speak.

The Chair (Ms. Cindy Forster): Thank you, Minister, and thank you to all of your staff for being here.

We actually have some votes and things to deal with, so if people just want to hang around for a few minutes.

This concludes the committee's consideration of the estimates of the Ministry of Tourism, Culture and Sport. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote?

Miss Monique Taylor: I'm sorry. I didn't hear. I was saying goodbye. I'm sorry.

Mr. Randy Hillier: Can you repeat that?

The Chair (Ms. Cindy Forster): This concludes the committee's consideration of the estimates of the Ministry of Tourism, Culture and Sport. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote?

Interjections: Yes.

The Chair (Ms. Cindy Forster): Shall vote 3801 carry? All in favour?

Mr. Randy Hillier: Is it 3801 you're on? It's on page 3.

Ms. Cindy Forster: It's 3801. There's no debate or amendment allowed.

Mr. Randy Hillier: No, but we can call for recorded votes.

The Chair (Ms. Cindy Forster): Absolutely, yes.

Mr. Randy Hillier: So let's have a recorded vote. If you want, I can say that each and every time, or we just can put it as if I've done and we'll have recorded votes.

The Chair (Ms. Cindy Forster): Each and every time—

Mr. Randy Hillier: Yes.

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

Shall vote 3802 carry?

Mr. Randy Hillier: No.

The Chair (Ms. Cindy Forster): You have to call for a recorded vote.

Mr. Randy Hillier: That's what I thought. I'd just ask if I could have a blanket recorded vote for—

The Chair (Ms. Cindy Forster): Each time.

Mr. Randy Hillier: You want to do it each time?

The Chair (Ms. Cindy Forster): Yes.

Mr. Randy Hillier: Okay. Recorded vote.

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

Shall vote 3803 carry?

Mr. Randy Hillier: No. Recorded vote.

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

Shall vote 3804 carry?

Mr. Randy Hillier: Recorded vote.

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

Shall vote 3805 carry?

Mr. Randy Hillier: No. Recorded vote.

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

Shall vote 3806 carry?

Mr. Randy Hillier: No. Recorded vote.

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

Shall vote 3808 carry? All in favour?

Mr. Randy Hillier: No. Recorded vote.

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

Shall vote 3809 carry?

Mr. Randy Hillier: No. Recorded vote.

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

Shall the 2014-15 estimates of the Ministry of Tourism, Culture and Sport carry?

Mr. Randy Hillier: Recorded vote.

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

Shall I report the 2014-15 estimates of the Ministry of Tourism, Culture and Sport to the House?

Mr. Randy Hillier: Along with the annual reports, absolutely—with the annual reports and the expense accounts.

The Chair (Ms. Cindy Forster): All in favour?

Ayes

Balkissoon, Ballard, Kiwala, McGarry, Potts.

Nays

Harris, Hillier.

The Chair (Ms. Cindy Forster): Carried.

I adjourn this committee meeting until—

Mr. Michael Harris: On a point of order.

The Chair (Ms. Cindy Forster): Sure.

Mr. Michael Harris: Was there a list of questions that were documented by research that they can just read out, that we've got on file or will be provided to the committee? There is—

Mr. Bas Balkissoon: Chair, can we hear what he's saying?

Mr. Michael Harris: I was just asking if there has been a list of questions throughout the past five hours that were recorded by research that will be brought back to the committee for us or answered.

Mr. Bas Balkissoon: Madam Chair, we didn't discuss any questions and—

Mr. Michael Harris: Well, no, throughout the—

Mr. Bas Balkissoon: —actually entertain it as a request of the committee.

Mr. Randy Hillier: There were requests made during the examination. We're asking if they were recorded.

Mr. Bas Balkissoon: I don't think there was agreement.

Mr. Michael Harris: There doesn't need to be agreement. There was agreement by the minister and the ministry. They'll go through Hansard; they're all there.

The Clerk of the Committee (Mr. Katch Koch): The practice has been for the research officer to track any undertaking that the ministry has made to the committee. For anything outstanding, the research officer would usually provide a memo, which I would distribute to committee members as soon as I get it.

Mr. Michael Harris: That memo will come?

The Clerk of the Committee (Mr. Katch Koch): As soon as the research officer has a chance to compile it. She would have to look at today's Hansard, as well, to make sure nothing is—

Mr. Michael Harris: Yes. I just want to make a note that there were a lot of outstanding commitments from the ministry, and we just want to make sure that's documented.

Mr. Chris Ballard: They're not outstanding.

Mr. Michael Harris: They are outstanding.

Mr. Randy Hillier: Until they're complete, they're outstanding.

Mr. Bas Balkissoon: We'll see the list, right?

The Chair (Ms. Cindy Forster): Yes. The minister, I think, did undertake to provide some information.

Mr. Bas Balkissoon: If the minister has, that's fine, but I think we should see the list.

Mr. Michael Harris: You'll see the list.

The Chair (Ms. Cindy Forster): Okay. We're going to adjourn this committee till next—

Miss Monique Taylor: Chair, just for clarification, does that mean that we're not allowed specific questions from the ministry to report back without the okay of the—

Mr. Bas Balkissoon: No. We're just asking to see the list, because as far as I'm concerned, he's got a list, but several times the minister did not agree. We need to see if what he's saying is agreed based on what's in Hansard.

Miss Monique Taylor: Is it up to the minister to agree for information that we request as a committee? If he doesn't want to give it to us, he doesn't have to? I don't understand what the member is saying.

The Clerk of the Committee (Mr. Katch Koch): Basically, what we're doing is we're tracking what is expected back from the ministry. If there was no undertaking taken by the ministry, we're not expecting that to come back. But if there is an undertaking, then we follow up on it.

Miss Monique Taylor: I understand that point, but with the member opposite asking these questions, I'm curious as to, if we ask for information—

Mr. Bas Balkissoon: There were members on the other side who made a request that the minister did not agree with.

Miss Monique Taylor: But the ministry can't disagree with providing information.

Mr. Bas Balkissoon: As long as it's one the minister agreed with, we're okay.

Mr. Randy Hillier: It's getting somewhat circular, so I'm going to leave.

The Chair (Ms. Cindy Forster): We're adjourned till October 7 for the consideration of the estimates of the Ministry of Infrastructure.

The committee adjourned at 1047.

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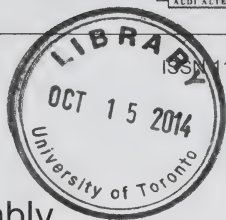
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Standing Committee on Estimates

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 7 October 2014

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 7 octobre 2014

The committee met at 0900 in room 151.

MINISTRY OF INFRASTRUCTURE

The Chair (Ms. Cindy Forster): Just before we start this morning [*inaudible*] after the last estimates we had last week, so we want to kind of verify some of that. I remind the members that the purpose of the estimates committee is for members of the Legislature to determine if the government is spending public money appropriately, wisely and effectively in the delivery of the services intended.

I would also remind the members that the estimates process has worked well with a give-and-take approach. On one hand, members of the committee take care to keep their questions relevant. The ministry, for its part, demonstrates openness in providing information requested by the committee.

So we're going to start here today—

Interjection.

The Chair (Ms. Cindy Forster): Thank you, Mr. Hatfield.

We're here today to consider the estimates of the Ministry of Infrastructure for a total of 10 hours. The ministry is required to monitor the proceedings for any questions or issues that the ministry office undertakes to address. I trust that the deputy minister has made arrangements to have the hearings closely monitored with respect to the questions raised, so the ministry can respond accordingly. If you wish, you may, at the end of your appearance, verify the questions and issues being tracked by the research officer here today.

Are there any questions before we start?

I am now required to call vote 4001, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the minister, followed by 30 minutes—

Mr. Randy Hillier: Can we not give it to—because there was confusion last time.

The Chair (Ms. Cindy Forster): It actually starts with the minister, 30 minutes, and then it will be followed by statements of up to 30 minutes by the official opposition, and 30 minutes by the third party. Then the minister will have 30 minutes to reply, then the remaining time will be apportioned equally among the three parties. Are we clear?

Mr. Randy Hillier: Thank you.

The Chair (Ms. Cindy Forster): Minister, the floor is yours.

Hon. Brad Duguid: Thank you so much, Chair. I was joking with some of my colleagues; I am sporting a tan that's a little more than the usual. No, this isn't Frank Klees making a comeback; I am Brad Duguid, freshly back from a week with my wife in Mexico. I was saying I haven't been away for a full week with my wife since our honeymoon seven years ago, so it's well overdue.

Coming off the plane, I have to tell you how excited I was to find out that within 48 hours I'd be here before you for 10 hours—getting off running this week. So I'm really excited to be here, and probably still a little bit in a Mexico mode, but pleased to be able to appear before you today and looking forward to chatting a little bit with you about the Ministry of Infrastructure and some of the work that we do.

As you know, some of the functions of the former Ministry of Infrastructure have moved around. In fact, the infrastructure policy and planning function was formally transferred to MEDEI, which is my ministry now, just yesterday.

I'm here to speak to what's been put forward in the estimates, specifically that part of the government's strategy that invests in infrastructure, oversees growth planning and manages the government's realty portfolio. It may be a little bit confusing, because some of those functions have now moved to other ministries, and we can certainly chat about those. I can respond as best I can to those questions, and those that I may not be able to respond to, I'll have some able supporters—

Mr. Randy Hillier: You just mentioned, Minister—sorry to interrupt you.

Hon. Brad Duguid: That's okay.

Mr. Randy Hillier: You made reference to something that just happened today, and I didn't catch what—

Hon. Brad Duguid: Oh, no, that's the transferring of the roles of the ministries from—the transition officially was done just in the last 24 hours, this week. I'll go over some of the stuff with you. Specifically, the part of the government strategy that invests in infrastructure, oversees growth planning and manages the government's realty portfolio—that's what's before us today. Not all of that is currently under my current portfolio, but the infrastructure piece certainly is. But that doesn't mean that I won't be able to respond to the questions you have on things like growth planning, which is now under the Ministry of

Municipal Affairs and Housing. There are some other functions that have kind of moved around in the transition. If there are questions about that today, we're happy to respond as best we can to that.

I want to introduce some of the ministry officials that are here today: Deputy Minister Giles Gherson, whom many of you would know. He has actually been my deputy officially now for 24 hours, so I don't know what help he's going to be today to us. He said he's been cramming and studying, working hard to try to get up to speed, but he has a very capable group of folks behind him here that will be able to respond to our questions if he's not able to. So we might have to cut Giles a little bit of slack today, given that he's new in the position.

We also have Chris Giannekos, who is the former ADM of infrastructure policy and planning. He's not working with my ministry anymore; he's now with the Ministry of Finance, but he's here nonetheless.

Larry Clay is here with us—

Mr. Percy Hatfield: Can they just wave, Minister, when you mention their names?

Hon. Brad Duguid: Yes. Chris is here now.

Larry Clay is the ADM for the Ontario Growth Secretariat. He's been around here for a while. He is part of the Ministry of Municipal Affairs and Housing now, so he's one of the staff that have moved over to municipal affairs and housing.

Bruce Singbush is actually still with me. Bruce is the ADM of the realty division. I'm happy to at least have one of our backup members here still with me.

This morning I'm going to touch on some of the key priorities for the Ministry of Infrastructure that carry on at MEDEI, at municipal affairs and at Treasury Board. I'll outline how our government oversees infrastructure planning and investment, how we manage sustainable growth in communities, and how we develop and implement strategic policies for government-owned realty assets. This year, for the first time, our priorities are also being made public, as you know, to all the public, as ministry mandate letters have been posted online. This unprecedented step towards open and transparent government will help heighten accountability and ensure tax dollars are being spent wisely.

I can't overstate how much infrastructure plays a pivotal role, and I'm proud to say that no government has done more than ours to invest in infrastructure. It creates jobs and builds stronger communities, and building modern infrastructure drives economic growth. I think all of us recognize that. But you don't have to take my word for it; research really backs this up. An April 2013 report from the Conference Board of Canada found that every dollar invested in public infrastructure in Ontario raises gross domestic product by \$1.14 in the near term. In addition, our own studies show that returns on this dollar grow to \$3.10 in the long term while supporting jobs and facilitating private investment.

I think that's one of the reasons why the Premier thought it was wise to combine economic development with infrastructure. Now, economic development isn't

before us today, nor are the functions that we do in that ministry. Perhaps at some point in time I'll have an opportunity to appear before you on the economic development side. But there is a good interrelationship between our investments in infrastructure—maybe the single greatest tool that governments have to directly create jobs is the investments we make in infrastructure. Our 10-year infrastructure plan, in fact, is expected to support, on average, more than 110,000 jobs each year in construction and related industries.

Since 2003, the province has invested nearly \$100 billion in infrastructure, focusing on what makes our communities stronger: assets like hospitals, schools, transit and highways.

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The 2014 budget commits to investing more than \$130 billion in public infrastructure over the next 10 years, including about \$12.8 billion in 2014-15. That's almost twice as much from Ontario alone as the \$70 billion that the federal government plans to spend right across the country. I think all of us would like to see a stronger federal partner when it comes to building modern infrastructure, because we know that's going to help grow our economy and meet our economic needs. As you all know, and some of you have joined us as well, we've repeatedly called on the federal government to at least match our commitment when it comes to infrastructure investment.

My mandate as Minister of Economic Development, Employment and Infrastructure will be to build a strong, diversified, globally competitive economy that will provide jobs, increase productivity and result in more prosperity for Ontarians. We've shown that we're well equipped for this challenge, and I'll share some real results and impacts with you today.

The government recognizes that now is the time to be making investments that will help spur economic growth and create new jobs necessary to support eliminating the deficit. To start, our government recognizes that our job is not just to invest more but to invest wisely. As our government moves forward with our plan, we will do so through the lens of fiscal prudence. My ministry will do this by working closely with the Ministry of Finance and Treasury Board secretariat to ensure that all of our spending aligns with government priorities. We'll also do this by working under an evidence-based 10-year policy framework, a long-term capital plan that takes a holistic view of infrastructure investments.

We've seen real results from our government's approach to infrastructure planning. In Hamilton, for instance, Ontario's investment in the Centre for Mountain Health Services involved the construction of a new facility to provide more in-patient beds and more services. It has expanded outpatient clinics for psychiatry, diagnostic imaging and medical services, along with research and academic spaces. In Waterloo region, Ontario's investment in a consolidated courthouse will bring justice services together under one roof in a modern, accessible facility that will help reduce delays in the court system and increase access to justice.

There are just a couple of examples of a long list of infrastructure investments. I guess the point I'm making is that these investments really do matter to communities. They make a difference in the everyday lives of Ontario residents, from one part of the province to the other.

The overall numbers are actually quite impressive. In the past decade in Ontario we've built 23 new hospitals, and 650 new schools have opened or are under construction. We've invested almost \$17 billion in capital funding to support public transit across the province, and we've expanded or rehabilitated almost 7,900 kilometres of highways. This is the distance from Toronto to Vancouver and back—a pretty significant accomplishment, I would say. And 950 bridges have been built or repaired—that's more than the double the number of municipalities in Ontario—which is, again, something that we are very proud of. It doesn't stop there.

Our planned investments as part of our 10-year framework include transit projects, like the increase in GO Transit service between Kitchener and Toronto from four to eight train trips per day in 2016. Major hospital expansion and redevelopment projects are also part of it. We're providing over \$11.4 billion over the next 10 years for that. This is in addition to 10-year funding of almost \$700 million for repairs in hospitals, and \$300 million to help shift care from hospitals to community settings. We will be providing more than \$11 billion over the next 10 years in elementary and secondary education infrastructure funding as well. This includes more than \$4.2 billion to help address school repairs and \$750 million over four years in new capital funding to support school consolidations.

The benefits of the government's sound planning not only make up for the historic underinvestment in our infrastructure, but give us a solid foundation for the future. We recognize the importance of investment in municipal projects as well. The province has already made nearly \$200 million available under its Municipal Infrastructure Strategy to help municipalities prepare asset management plans and address critical road and bridge projects. Municipalities like Northern Bruce Peninsula and Sault Ste. Marie used the investment to pave and widen major road arteries, and that improved public safety.

In Wasaga Beach—every time I think about it, I think about my youth. I wonder how many around the table have similar ideas, but those are stories I wouldn't be able to share, I don't think, with the committee. But I do have fond memories of Wasaga Beach. There, the Schoonertown Bridge was widened to four lanes, adding full sidewalks and improving safety for vehicles, cyclists and pedestrians.

These improvements are essential to help our municipalities grow, but we've heard from our municipalities that we must do more to help them maintain critical road, bridge and water infrastructure. That's why, in August, as part of the government's new 10-year economic plan, we launched the permanent Ontario Community Infrastructure Fund. This fund will provide \$100 million permanently for small, northern and rural communities. It

includes \$50 million in formula-based funding and \$50 million in application-based funding. That's important because that's something municipalities have been asking for.

Some of us around this table were former municipal councillors at one time or another, and we recognize how challenging it can be on a municipal council when you have your own municipal priorities, and every time a federal or provincial government gets together and puts together an infrastructure program, it doesn't always meet your top priorities—which means you've got to now rejig what your priorities are to get access to that federal and provincial funding. It may not be as politically advantageous to do it that way, because you don't have as much of the announcements every year of funding—because it's a continual flow of funding—but it's probably a better way to do infrastructure and it's certainly something the folks at AMO have been looking for, for a long time. That's the difference between formula-based funding and application-based funding. Right now, we're looking at a half-and-half approach. As we see asset management plans evolve across the province with municipalities—and they're doing a pretty good job on this right now—we'll feel more and more comfortable moving it to more formula-based funding, and we've committed to doing that and phasing that in as we go forward.

We really have tried to bring a strong focus to the importance of asset management, both for our own infrastructure and municipal infrastructure. We have helped hundreds of municipalities with implementing that.

We're working with the federal government as well, continuing our advocacy work to try to bring more federal dollars to Ontario, as I mentioned earlier; but we're mindful that municipalities have projects that can't afford to wait. So in August, as I said, we launched the Ontario Community Infrastructure Fund, and we've also opened an intake under the federal Small Communities Fund. Through the Small Communities Fund, Ontario and Canada will each provide \$272 million to support critical projects in communities with populations under 100,000.

The Ontario Community Infrastructure Fund and our continued advocacy for fairer investment commitments from the federal government are the result of a long and productive collaboration with our municipalities. We've worked closely with AMO on the structure of this new permanent fund, and that's frankly what municipalities were calling for. I'm pleased to be able to say that's what we've been able to deliver.

We value our partnership in helping smaller communities as well. We'll continue to take a strong stand on behalf of municipalities to work closer with the federal government to increase infrastructure funding there for those communities, to ensure that they're getting their fair share of funding.

Just as we're supporting our smaller communities, we're also investing in our larger cities, which many would call Ontario's economic engines. In these cities,

there has been no higher priority than transit. In Toronto, the Yonge-University-Spadina line is being extended to York University and into Vaughan; in Ottawa, work has begun on the Confederation Line, a 12.5-kilometre LRT project; and in Waterloo, a 36-kilometre rapid-transit corridor is being built to connect the urban centres of Cambridge, Kitchener and Waterloo. Those are just a few of the projects that are under way, with many more to come.

I mentioned earlier that Ontario knows that in times of fiscal restraint, we must invest money wisely. Another way that Ontario is applying a fiscally responsible lens to its infrastructure investments is through alternative financing procurement, or the AFP model. Ontario is a leader in delivering on major infrastructure projects through the AFP model. And let's be clear: AFP is not privatization, but since private money is involved, companies have a strong incentive to manage projects effectively. As a result, AFP has established a track record for delivering major projects on time and on budget.

I'm pleased to be able to say that of the first 30 projects to reach substantial completion through this project, 28 were delivered on time and 29 on budget—not perfect, but pretty darned close. When you compare that to the record of governments under all stripes, frankly, and governments around the world, that's a very, very impressive record. In fact, it's garnering attention internationally as being seen as one of the models that others are looking at to try to adopt.

Through Infrastructure Ontario, the province is delivering 80 AFP projects, valued at about \$35 billion in capital costs. Projects under construction or completed have an estimated \$3 billion value-for-money savings.

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So Infrastructure Ontario is seen internationally as one of the models, if not the best model—certainly in North America, and maybe around the world—for delivering infrastructure projects. Imperfect as from time to time it may be, it may well be the best system out there right now. It's something we'll continue to work with all parties to try to improve, but something I think in Ontario we can probably take a fair amount of pride in. So kudos to the folks at Infrastructure Ontario for the good work that they've been doing over the years to deliver a record amount of infrastructure projects for us.

Making smart fiscal decisions means looking at not just the direct or immediate impacts of infrastructure investment, but the long-term legacies that they leave behind. Ontario has seen considerable stimulus thanks to the Toronto 2015 Pan/Parapan Am Games. The construction of the athletes' village has accelerated the development of the formerly derelict West Don Lands area. The village will leave the city with a legacy of state-of-the-art infrastructure for things like recreation facilities, condominiums and affordable housing units for future residents.

Meanwhile, constructing the flood protection landform has unlocked the potential for new development in the West Don Lands and East Bayfront precincts and will

provide comprehensive flood protection for much of Toronto's downtown core.

I recommend to any members, if they get an opportunity to take a tour down in that area of some of the plans and some of the work that is being done down there—it's actually quite fascinating, and you'll see it is something that's going to pay off, not just for the city of Toronto, but for the province in terms of growth, jobs and economic development opportunities.

As my colleague Minister Coteau has already pointed out, Toronto 2015's capital budget for the construction or renovation of 25 sport and recreation facilities and other projects will provide \$49 million in savings for municipalities and universities related to their share of venue construction.

A great example of this is the aquatics centre sports complex at the University of Toronto Scarborough campus, a campus that I happened to go to when I was younger, and not far from where I live. It's not in my riding, but it's not far from where I live. This project finished on time, on budget. Actually, it was under budget. The complex was seen as an important addition to the campus, and one of the things that I find really intriguing and really inspiring is the fact that UTSC students voted to contribute \$30 million of their own funds toward the development of the facilities. So that's just an example of the kind of partnership that's taking place in building some of these Parapan Am Games facilities, the University of Toronto being there and, of course, the students being involved in the facility. I've got to tell you, I really recommend for all members, if they like to work out, to go out there and work out. We'll make sure you can get into the gym. It's just a phenomenal, world-class facility. I was there a couple of weeks ago. I dropped in and ran into a gold medal Olympian who was training there. I saw Canadians on the national synchronized swimming team already training out of that facility. They were down in the pool. The facilities: full accessibility and just state of the art. Their elite athlete gym—this stuff blows me away. Everything is fully accessible. So you'll see athletes with disabilities training alongside athletes who are world-class athletes as well training in that facility. It also has another training facility for students and the public as well.

So this is going to be a huge legacy that's going to have an incredible impact on that local community, and frankly, there are a lot of opportunities for development around this building. So that's just an example close to my home of the impact of the Parapan Am Games in terms of economic impact and sports impact and community improvement impact.

I'd also like to thank Waterfront Toronto and the board that works there, an incredibly qualified board. If you haven't had an opportunity to meet some of those folks, you should try to. They're doing some great work. I've had an opportunity, through my years—and I know Peter Milczyn, who is a former city of Toronto councillor, will tell you it's been a long haul, waterfront development in Toronto. I've been in public office 21 years, and for most

of that time, waterfront development has been a topic of conversation. I think in the last five years we've seen some incredible progress there. The board at Waterfront Toronto have really done a tremendous job bringing together the interests of all levels of government. This is really not a partisan thing by any means. I mean, you think about it: When this latest Waterfront Toronto scenario developed, you had a Liberal government in Canada and you had a PC government here. Now it's the other way around. It has flipped around, but it has continued along. So governments and parties of all stripes have supported this development through the years. It is, to me, exciting to actually see progress being made down there.

I mentioned the quality of the board because I think they've been subjected to what I would say is some pretty unfair politicking over the last little while. It's election time in Toronto, so I can understand that, but I just want to express my confidence in those folks for the great job they're doing and for actually delivering something on the waterfront and giving us hope that we can build that kind of waterfront that I think is important to Toronto but also important to Ontario, because it's an important piece of economic policy as well to ensure that our largest city has a waterfront that continues to attract attention and attract development and attract tourism at the same time.

I want to continue on and talk about some of the ongoing efforts at Waterfront Toronto. The initial investment was a \$1.5-billion investment. It has generated \$3.2 billion in economic output for the Canadian economy, \$622 million in government revenues and 16,200 full-time years of employment. Waterfront Toronto projects have benefited the provincial economy by attracting \$2.6 billion of additional investment through the development in the East Bayfront and the West Don Lands precincts. So we're talking about pretty big-time investment in very prime areas of the city.

Our approach is based in solid strategic planning to prevent infrastructure deficits. The same rationale and approach is behind Bill 6, An Act to enact the Infrastructure for Jobs and Prosperity Act, which the government introduced in July. The bill, if passed, would require the province to regularly table a long-term infrastructure plan in the Legislature, covering a period of at least 10 years. The proposed legislation would include guiding principles to promote innovation, competitiveness and job creation by helping to promote apprenticeships, skills training and youth employment in the construction of certain provincial infrastructure projects. We're looking forward to seeing this legislation passed in the Legislature so that we can secure evidence-based long-term infrastructure planning in Ontario.

Strategic growth planning is the next area I'd like to talk a little bit about. Strategic growth planning is a sustained approach, not a one-time exercise; it's ongoing. Our government has a strong understanding of this approach. The Growth Plan for the Greater Golden Horseshoe was created to address urban sprawl, protect

farmland and help communities become more vibrant places to live in and more cost-effective to run.

Madam Chair, I have no idea how my clock is running here or how much time I have, but feel free—

The Chair (Ms. Cindy Forster): You have about six minutes.

Hon. Brad Duguid: I have about six minutes, so I'll probably not get through all of my comments, but that's okay. I'll do the best I can.

I think that one of the things with our growth plan is, we're very proud of the fact that it is something that has been seen internationally as a leader. It was challenging at first for all stakeholders to adapt to the idea, but it's something I think we needed to do. With an estimated 50% increase in population across the greater Golden Horseshoe by 2041, we really need to plan more smartly to ensure that we can accommodate that growth and accommodate it in a way that's intelligent, that's smart, that takes advantage of the current infrastructure that we have and ensures that we protect—whether it be green space or farmland and those kind of things. What our growth plan does is, it provides us with that template to ensure that we're developing in a smart way.

By shifting our investments to help build walkable and transit-supportive communities—that's something that our growth plan also helps to do. Our record investments are building public transit infrastructure. Projects such as the Eglinton Crosstown, the Viva system in York region and the light rail transit system in Waterloo are some of the projects that are under way.

One of my favourite projects that's soon to be under way is the Scarborough subway. That's something I've had the privilege of working toward for about 30 years. Getting a subway to Scarborough City Centre is something that should have been there, I think, all along, frankly—

Mr. Percy Hatfield: I remember your Christmas card.

Hon. Brad Duguid: Yes, you remember that, do you? The member is referring to my Christmas card, which had a little Scarborough subway message in there.

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But it's something that I think we will all be very proud of, when that is built. It will create jobs and economic development in one of the fastest-growing city centres in Canada, so I'm looking forward to that as well.

Investments in GO Transit since 2003 have resulted in an overall increase of 63% in the GO Transit fleet size, including more than 200 new GO Transit commuter rail cars and 47 new double-deck GO buses. It's solid investments like these that very much underpin our opportunities for economic growth.

Experts have said that without the policies in the growth plan, we might have seen thousands of hectares of agricultural and rural lands unnecessarily consumed inefficiently by unaffordable urban sprawl. Long-term planning is something that we remain committed to, and smart planning is something that is going to help ensure that we build sustainable communities.

I'll close with one example that I think will be coming forward very soon, and I'm pleased to see that. That's the planned community for Seaton. When I was appointed Minister of Economic Development for the first time, and Infrastructure, a number of years ago, I was actually kind of surprised to see that one of the first files to come to me was the Seaton lands file.

I was here before, as an assistant during the Peterson years, when that was being talked about, so I was a little bit shocked, many decades later, to see that that file still had not really moved forward. There was a little bit of progress on it, not a lot, so I'm really pleased to be able to say that that is moving forward very rapidly now and is very close to fruition.

That's significant. It's going to be one of the largest planned communities in Canada, anytime, anywhere. It's something I know there's a lot of excitement for in those local communities out in Durham, and something that I think is going to be an example of good planning on the part of the province.

I know my time is running low. I want to thank the committee members for listening through what was probably one of the least exciting speeches I've ever given. You all still have your eyes open, so I've kept you reasonably awake, but I'm looking forward to exchanging questions with you over the next 10 hours or so.

As I said earlier, I think one of the interesting things about combining infrastructure with economic development is that, for the first time, it gives us an opportunity to really bring an economic lens to our infrastructure investments.

We've always intended to do that, but now that it's under one portfolio, it's going to make it a lot easier for us, I think, to do that: to ensure that the investments we make are strategic in terms of building a smart next-generation economy, ensuring that we have competitive infrastructure to improve our quality of life and attract business investment, and also creating jobs directly through some of our infrastructure investments. As I've said, the investments we'll be making over the next 10 years—the \$130 billion in investments, a record amount—will support about 110,000 jobs per year, which is something that our economy can certainly use.

I'm going to close there, Madam Chair, because I think I'm pretty much—I can see you nodding your head.

The Chair (Ms. Cindy Forster): Yes.

Hon. Brad Duguid: I look forward to hearing from all my colleagues.

The Chair (Ms. Cindy Forster): Thank you, Minister. The official opposition: 30 minutes. Mr. Hillier, starting?

Mr. Randy Hillier: Thank you very much, Chair, and thank you, Minister, deputy, and all your staff who are here today—from the various ministries, I guess.

Minister, I'm going to start just by—I'm going to take you and the Premier at your word. I think it's been very refreshing to see the mandate letters put forward. In your mandate letter, you've agreed, and the Premier has clearly put the expectation forward, that you "want to be the most open and transparent government in the country." It

further states, "We want to be a government that works for the people.... It is of the utmost importance that we lead responsibly, act with integrity, manage spending wisely and are accountable for every action we take."

Openness, transparency and accountability—like I said, I'm going to take that at face value. That's what you want to achieve, and that's what one of the objectives of this estimates committee is, so that the public can scrutinize the spending activities—the ways and means in which the government spends their money—and to be accountable for it.

In your opening address, Minister, you said that there are 80 AFP projects under way or in some process. Are any of those AFP projects—are there any guarantees by this government or any ministry or any agency of this government with respect to guaranteeing those third party contracts in the AFP process?

Hon. Brad Duguid: I'm sorry—guaranteeing the third party contracts?

Mr. Randy Hillier: Yes. Are there any guarantees—has your ministry, or any agencies of your ministry, provided any guarantees to the financing on those projects to third parties?

Hon. Brad Duguid: I'm not quite sure where you're going with this, but I'll try to respond to the question as best I can.

The key with these AFP projects is, what we do is transfer the risk—often all the risk, sometimes part; for the most part, it's all the risk—of delays in cost overruns to the private sector third parties, so that if a project runs over—and every now and again, that does happen. I mean, every time you put a shovel in the ground, there's a risk involved in a project. What this does is, it transfers the risk of overruns, both in delays and costs to the government of delays, or costs to the parties that might be involved, or direct cost overruns to those contractors or third parties that have bid for these particular projects. Is that what you're referring to?

Mr. Randy Hillier: Yes. So are you guaranteeing to indemnify any of those people who—you were saying that you've transferred the risk over to third parties. Are there any guarantees to indemnify any of those parties for taking that risk? Is there any backstop that your ministry or agencies are offering for those unforeseen costs or delays to the third parties?

Hon. Brad Duguid: I'm not aware that we would be backstopping it in any way. They are liable for those cost overruns. We are operating in the real world, and it's a private sector world. Worst-case scenario: There is sometimes a prospect that a company could go bankrupt on you or something like that. If that happens, then it's subject to those particular processes. I'm not aware of that ever happening. One would expect the companies that are bidding for these projects—I mean, I would expect that there's a fair amount of rigour that goes into approving those companies, but I suppose that's a worst-case scenario that would be possible.

Mr. Randy Hillier: Well, maybe if I could ask: If there are any guarantees by your ministry, or agencies

under your ministry, for those guarantees of indemnification in the AFP process, would you be able to provide those to the committee if you have them, if there are any?

Hon. Brad Duguid: I'm going to take a look over my shoulder, just to see if Infrastructure Ontario folks are aware if there are any, and see if I can get you an answer right here and now. Giles?

Mr. Giles Gherson: I think I can clarify by saying that when the minister said the essence of AFP arrangements is to transfer the risk, that really means that there is no backstop for the private sector participants. In other words, they bid on these projects and if they have cost overruns, they bear those costs. If they have delays, they're penalized for those delays. They get their financing privately through the private financial markets—

Mr. Randy Hillier: And we're not guaranteeing any of that financing in the private market?

Mr. Giles Gherson: No.

Mr. Randy Hillier: So there are no other contingent liabilities that you—

Mr. Giles Gherson: No, and that's really the essence, and that's why those projects are done in that way, because in the past, with those traditional finance projects, that was the risk that government ran.

Mr. Randy Hillier: Yes.

Hon. Brad Duguid: But I do think it's important to recognize that whenever you're dealing with these situations, you never know, when things get into courts and things like that, what could transpire. We haven't had any of those issues, I don't think, but you never know.

Mr. Randy Hillier: Okay. Minister, we're still trying to unravel all of what has gone on with the restructuring with infrastructure and whatnot, and it can be confusing. But I know you mentioned that a number of programs and areas and spheres of responsibility have shifted and have left infrastructure and have gone elsewhere. I'm just wondering, will you be revising the estimates at all, in any fashion? Clearly, people in human resources, financial resources ought to be shifting with those spheres of responsibility. I'm just wondering, will you be submitting any revised estimates at all that take that into consideration?

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Hon. Brad Duguid: The ministries will be complying with whatever their obligations are with respect to that. With regard to information as this takes place, if there are any members of the Legislature or any members of the public who are interested in the details of what has moved where, we're certainly happy to share that with anyone. But in terms of—

Mr. Randy Hillier: I'd love to get that list of what shifted where, for our job as legislators, so we know where to go looking. If you have that list of what responsibilities, programs and policy areas have shifted to other ministries, would you be able to provide that?

Hon. Brad Duguid: Absolutely. I think myself and my colleagues, as we are adjusting to those changes now, will also take an obligation to inform our respective critics of the parties exactly what has moved and where.

Even when it comes to something as simple as question period, you want to know whether you're asking the minister that's—for instance, the growth plan secretariat has moved to the Ministry of Municipal Affairs and Housing. You will want to know that. I believe that's all in the mandate letters and it's public. Any details that you would want on that, I'm sure would be available.

Mr. Randy Hillier: You'll provide that to the committee, then, whenever—

Hon. Brad Duguid: That's certainly easy to provide.

Mr. Randy Hillier: Is that a yes?

Hon. Brad Duguid: Yes. I would assume we would have that information, Deputy, at this stage.

Mr. Giles Gherson: Absolutely. I think it's fairly straightforward.

The growth planning function has moved to the Ministry of Municipal Affairs and Housing, as the minister stated. The capital planning oversight function has moved to the Treasury Board, so there's a split between the policy side and the oversight side, which would be consistent with the way we overview operations in government. It was just to make it more consistent with the way we—

Mr. Randy Hillier: We know that there are these areas of responsibility that have shifted, and I think, as you said, Minister, it was all finalized just within the last 24 hours or thereabouts. I was just wondering, when people and their wages and their administrative costs—there's a cost with that. They're going to be shifting to other ministries, as well. Will you be revising any of the estimates to reflect those changed areas of responsibility of your ministry?

Hon. Brad Duguid: The ministries will comply however is appropriate. What they're obligated to do, they will do in terms of any—

Mr. Randy Hillier: But you don't envision changing the estimates to reflect that?

Hon. Brad Duguid: I'm not aware that that would be the process. It may be. If it is, the ministry will do that. I would expect the next estimates that come out would be the new estimates for the next cycle.

Mr. Randy Hillier: What I'm getting at here is, in the results-based planning book that you've provided us, you do talk about these things, like the growth plans and how you're working studiously and have so many members of the OPS involved, developing and implementing, whether it's the growth plans, the northern Ontario growth plan—there are a lot of different plans that you have.

Surely, if those are no longer your responsibility, those people are no longer going to be employed in your ministry, but somewhere else—or not employed at all. Whatever budgets they were dealing with are no longer going to be part of your ministry. So it's intuitive to me that if you're no longer responsible for an area and a policy and a program, then you shouldn't be seeking appropriations to fund that program or policy, and that some other ministry should be seeking the appropriations.

Hon. Brad Duguid: The appropriate procedures in terms of budgeting will take place, if it hasn't already. It's

probably in the process of taking place, as these functions shift from one ministry to the other. It's not that unusual for that to happen. Sometimes ministries' functions will move. In particular, when there are sometimes shuffles or sometimes reorganizations, and in particular, when a new government is sworn in, that's the time to sort of rejig and reorganize. So it's not unusual. But I can assure you that we'll follow every process that's required—the ministry will—and any questions you have, we'll be more than happy to try to work with you to sort through it.

It is something, and the deputy and other deputies will understand this—it does take some time to sort through these kinds of restructurings.

Mr. Randy Hillier: It takes time to understand it, let alone sort through it.

Hon. Brad Duguid: Yes, it does.

Mr. Randy Hillier: Listen, one other question from your initial address to the committee, Minister, about the 10-year infrastructure plan—and this is not the first time there has been a 10-year plan. What is not clear—and again, I want to go back to your mandate about being open and transparent, and to ensure that we know what you're seeking in your estimates as well—instead of just a bundle of money, what projects actually are in the 10-year plan? Can you provide this committee with a list of infrastructure projects that are in the 10-year plan?

Hon. Brad Duguid: The 10-year plan is a number of the projects that are coming forward in the coming years that would be in the budget, that would be approved projects, that would be included in the 10-year plan. Then, on top of that, going forward, would be maybe envelopes of funding for particular sectors and aspirational objectives in terms of where that \$130 billion of investment will be going over the next 10 years.

Mr. Randy Hillier: Did you say “aspirational objectives”?

Hon. Brad Duguid: Yes, objectives that are laid out in the 10-year plan in terms of where our priorities will be. The object of that long-term plan is, number one, it's helpful to municipalities, knowing where our objectives are going to be over the next 10 years.

Mr. Randy Hillier: Okay, so if I understand correctly, the 10-year plan doesn't list projects but aspirations and concepts—

Hon. Brad Duguid: No—

Mr. Randy Hillier: —and general directions, but they wouldn't list that we're looking to do 10 new hospitals or redevelopment of 10 hospitals over the next 10 years, and these 15 hospitals are in the running for those 10 redevelopments, or that we are going to be building X miles of new road or interchanges. That's not what the 10-year plan is.

Hon. Brad Duguid: For the most part, the specific projects themselves would be in the ministry's budgetary envelopes and be part of the ministry's capital plans. The long-term plan—

Mr. Randy Hillier: For the current year.

Hon. Brad Duguid: But the long-term plan would include specifics—transit projects, for instance, potential-

ly, I'd have to take a look at the current long-term plan, which I believe is about a year old. I could look at it here. But it would refer to major infrastructure projects that we are committed to and are funding. A good part of what would be referred to would be funded projects that are currently approved, but it would be setting out our 10-year plan for capital investment.

Mr. Randy Hillier: Maybe I'll just finish this line of questioning with this question: This 10-year plan, and whatever commitments are included in that plan—is that available publicly? Can we look at that?

Hon. Brad Duguid: The 10-year plan is certainly available publicly—

Mr. Randy Hillier: With lists of whatever projects? And there would be nothing else of potential projects or priority projects in your 10-year plan?

Hon. Brad Duguid: We could do our very best to see what we have available to you in terms of what projects are mentioned in the plan. But our capital budget plans five years out now, so there will be, in ministry budgets—the Ministry of Health, for instance, would have their plan of current approved hospital expansions, potentially, and other expansions.

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Mr. Randy Hillier: So you would have to have that knowledge to be able to do your 10-year plan: what their priorities are.

Hon. Brad Duguid: Yes. It would be the ministries working together.

I think sometimes there's a view that the Minister of Infrastructure controls all infrastructure planning and approves all projects—

Mr. Randy Hillier: I've often heard of you as the Wizard of Oz.

Hon. Brad Duguid: Yes. I'm not saying I wouldn't relish those powers, but I don't have them. We manage some of the infrastructure projects. We work with Infrastructure Ontario. We make sure the projects are executed.

The Treasury Board and finance traditionally have done most of the work when it comes to budgeting, in consultation with the Ministry of Infrastructure. That has evolved over time. That functionality has officially moved over to Treasury Board and finance. The front-line ministries really determine what their priorities are within envelopes that would be provided through finance, and infrastructure is involved in those discussions. We put together that 10-year plan to bring it all together.

Mr. Randy Hillier: Maybe I'll get to one of the specifics here that I wanted to get to, Minister, and that was: In the 2013-14 estimates, under the infrastructure and growth planning program for capital expenses, you budgeted \$231 million for 2013-14, yet you only spent \$200,000 on infrastructure out of that \$231-million appropriation. I'm just wondering if you or your deputy minister can explain how you sought out \$231 million for capital expenditures, but you only spent less than 0.01% of it, \$200,000? Maybe if you can explain that.

Hon. Brad Duguid: Sure. Could you just advise me what you're referring to exactly, Mr. Hillier? I didn't catch you at the beginning, there. I heard the numbers, but I didn't hear what you were referring to.

Mr. Randy Hillier: That's in the capital expenses.

Hon. Brad Duguid: And that's in which document?

Mr. Randy Hillier: Let's see. First off, for public accounts ending in the past fiscal year—and that's on page 2-260 of the public accounts—\$199,000 was your actual, and you actually budgeted—I just want to make sure here that I've got the right numbers. Yes. On public accounts, page 2-260, it shows—

Hon. Brad Duguid: Are you reading from public accounts?

Mr. Randy Hillier: Yes. These are your actual expenditures for 2013-14.

Hon. Brad Duguid: I don't have that in front—I've got estimates. We're here for estimates, right?

Mr. Randy Hillier: Now you're estimating. The estimate for 2013-14 was \$231 million. Investing wisely—I'm just looking. There's clearly something you were expecting to do, if you appropriated \$231 million but you only spent \$200,000 in capital expense. I'm just wondering what the discrepancy is there, because we often hear about how much money you're spending on infrastructure. It sounds like that envelope got lost in the shuffle somewhere.

Hon. Brad Duguid: I think the deputy—

Mr. Han Dong: Madam Chair, point of order: I think the minister is confused about what document it is that—

The Chair (Ms. Cindy Forster): Mr. Dong—we'll turn it back. Your point of order?

Mr. Han Dong: Yes, point of order: I think the minister has lost what Mr. Hillier is talking about. You're referring to, "Which document is he talking about?" Maybe it would be easier if Mr. Hillier just showed the minister exactly where he put out that estimate, because it's the estimates committee. Right?

Mr. Randy Hillier: If I lose my page, you're in trouble.

The Chair (Ms. Cindy Forster): Mr. Hillier, do you have a copy for the committee?

Mr. Randy Hillier: I think it has just been delivered over.

Hon. Brad Duguid: I think the deputy might be able to help provide you with an answer. I'll give Mr. Gherson an opportunity.

Interjections.

The Chair (Ms. Cindy Forster): Excuse me. Do any of the committee members want a copy of that to follow along?

Mr. Michael Harris: Maybe table the whole report of public accounts to the government side so that they can read it, if they have not already.

Mr. Randy Hillier: Yes. Anyway, Minister, have you got the documents there, or does your deputy?

Mr. Giles Gherson: Well, we don't have the documents with us. I think it's fair to say, though, that what

you're talking about, sir, is the difference between the actuals in a year versus the estimates in a future year.

Mr. Randy Hillier: Yes.

Mr. Giles Gherson: This really goes, I think, to the heart of capital accounting, which is that the way the ministry has functioned is that it receives appropriations for planned capital expenditures, as the minister said, across a whole variety of ministries, whether that's the Ministry of Health, the Ministry of Transportation, the Ministry of Natural Resources or justice or what have you. So during that year, expenditures flow out of the ministry. It's almost like a holding tank, if I could use that word. The expenditures flow out, and what hasn't flowed out is essentially left with the ministry.

So it's really an accounting structure. It's complicated; I'll say that. But it really is an effort to be the one place where appropriations come and then money is assigned to different ministries as their projects—

Mr. Randy Hillier: Listen, I understand that.

Mr. Giles Gherson: Sure.

Mr. Randy Hillier: I understand that the minister and the ministry seek out authorization to spend money. In this capital expense line, the ministry came before government and said, "We need \$231 million for capital expenditures." However, you only spent \$199,000 of it. Actually, when we look at it, the administration of that program—your wages, accommodations, services and cellphones to do that capital expense project—cost the taxpayers \$14 million to distribute \$199,000 in capital expense. It seems somewhat incredulous that we could spend \$14 million in overhead to undertake \$199,000 in capital projects, and then come back again this year seeking more money for that capital expense when clearly something isn't going according to plan, according to your estimates for last year.

Hon. Brad Duguid: I think that what the deputy is saying is that it would be wrong to suggest that dollars that are allocated are not being spent. What we're talking about here—there are two things that fluctuate and do make it challenging, frankly. Even in our estimates, you'll see numbers fluctuate very significantly from one year to the next. There are two things going on at the same time.

One is where projects are at in terms of their investment. You may invest in a project and it may be, one year, a very small expenditure because they are just going through environmental assessment, and the next year construction starts and you've got a huge impact. So you'll see huge fluctuations in our individual project capital budgets, as well as sometimes the envelopes on the big projects.

The second piece which makes it challenging, and I can understand your challenge here, is the accounting treatment of those dollars as they flow in and out of ministry budgets: sometimes into the infrastructure budget and then into the front-line ministry, and other times it's spent right out of the infrastructure budget. So—

Mr. Randy Hillier: No, no. Hold on. The infrastructure budget is what—in the estimates, that's what your ministry is seeking in appropriations. It's not what you're

seeking to get from other ministries; it's not transfers from other ministries. That's what you're seeking for appropriations.

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So if you go look at—

Hon. Brad Duguid: Well, no, actually, that's not entirely accurate. I know it's challenging to follow it, for all of us, but it's—I'll let the deputy respond so that it's not just me responding. Money does flow through sometimes—our accounts come from the other ministers—

Mr. Randy Hillier: Oh, I understand that there are other transfers.

Hon. Brad Duguid: —so there are transactions going back and forth. It's all about accountability and complying with accounting principles and those kinds of things. But you will see very significant fluctuations in things like you've pointed out.

What I will do is endeavour to give you as fulsome an explanation for what you've pointed out as I can. I'm going to have to let my ministry officials just dive into that envelope to see what specifically would be the cause of your suggestion. I'll let the deputy add to that as well.

Mr. Giles Gherson: Forgive me if I'm repeating myself, but it is true that we receive an appropriation every year for projects that essentially are going to be assigned to different ministries. So we do transfer that funding to other ministries. In fact, all that money that you're referring to will be spent by other ministries. We do very little actual delivery of projects, so—

Mr. Randy Hillier: So we should see a transfer for those missing millions somewhere?

Mr. Giles Gherson: Yes.

Hon. Brad Duguid: We'll endeavour to dig that up for you, and we can—

Mr. Giles Gherson: We can show you a page that will explain—

Mr. Randy Hillier: And then that would justify the \$14 million in administration for the \$199,000 that was expended under the capital expense.

Mr. Giles Gherson: Our ministry administration is \$2 million in the estimates line.

The Chair (Ms. Cindy Forster): Mr. Hillier, you have about two minutes.

Mr. Randy Hillier: Sure. There was one thing that came through as well: There's an employee for the ministry, Paula Dill, and she gets paid a little over \$200,000 a year by your ministry. She's an employee of the ministry, but she also shows up every year in the public accounts of the ministry as receiving an additional about \$200,000 each year. She's a provincial development facilitator with the ministry. Every year, going back to 2008-09, from what I can see, she gets another chunk of cash. I was wondering if you can explain why Paula Dill gets two paycheques out of public accounts.

Mr. Han Dong: Madam Chair, I have a point of order.

The Chair (Ms. Cindy Forster): Mr. Dong, what is your point of order?

Mr. Han Dong: Are we supposed to stick to the question with the estimates, the document that's in front of us, not specific individuals' salaries and benefits—

The Chair (Ms. Cindy Forster): If these numbers—

Mr. Han Dong: —because I don't have that information in front of me, so I don't know what the member—

The Chair (Ms. Cindy Forster): If those numbers are actually in the estimates document, then the members have the right to question the minister about those estimates.

Mr. Han Dong: But the member is questioning an individual salary and benefit.

Mr. Randy Hillier: The public accounts are paid out of—estimates is—

Mr. Han Dong: I haven't heard a ruling by the Chair yet.

The Chair (Ms. Cindy Forster): In the estimates book, it isn't broken down by individual. But if it's in the estimates, he has the right to ask.

Mr. Han Dong: Okay.

The Chair (Ms. Cindy Forster): Minister, you have about one minute, and then we're going to go to the third party.

Hon. Brad Duguid: Sure. I'd be happy to explain some of the really good work that Paula Dill does, but I'm not able to do that in a minute. She's capped at \$200,000. She gets a per diem. So what you're looking at is probably just an accounting treatment piece. But she's capped at \$200,000. She gets a per diem based on the number of days she's assigned to work. She helps unravel challenges like the Simcoe growth plan, for instance.

Mr. Randy Hillier: So she's not a member of the OPS.

Hon. Brad Duguid: I don't know. That, I would have to verify in terms of what her actual status is, and I'd be happy to find that for you. But she is capped at \$200,000.

Mr. Randy Hillier: Only the once—

The Chair (Ms. Cindy Forster): Thank you, Mr. Hillier.

Moving on to the third party—

Hon. Brad Duguid: She is an appointee.

The Chair (Ms. Cindy Forster): Mr. Hatfield.

Mr. Percy Hatfield: Good morning, Madam Chair. Good morning, Minister.

Hon. Brad Duguid: Good morning.

Mr. Percy Hatfield: I want to go back to the AFP financing of infrastructure, if I could. How much of the cost of a typical AFP project is the risk premium?

Hon. Brad Duguid: That would depend on the project. I don't have any averages for you with me today. I don't know if we have averages. I would say that there would be some costs to deferring the risk to the private sector. I think when you look at the savings in terms of projects being on time and on budget, the record that we currently have—as I've talked about, 30 projects now are pretty much complete, 29 of them on time and I think 28 of them on budget; it could be the other way around—is a pretty impressive record.

Mr. Percy Hatfield: Can you tell me, Minister, how the risk premium is calculated? It's a big part of what you pay the consortia that win the AFP proposals, right? So it's a pretty important number. How is it calculated?

Hon. Brad Duguid: Well, these are requests for proposals, as I understand it. I will refer to infrastructure staff who are here to ensure that I'm providing you with an accurate answer here, but my understanding is that they're requests for proposals, so the amount that they actually come out to would be dependent on the winning bid. Then there would be relatively standard contracts, I expect, through Infrastructure Ontario that would put the project into place. The actual amount of each contract would be dependent on the competitive bidding process.

I'll ask the deputy just to verify, to make sure I haven't in any way provided you with anything inaccurate.

Mr. Giles Gherson: That's correct, Minister. I think the risk premium is hard to—there's no average because the projects that are done through the AFP process are usually the very large projects and the very complex projects. So each one is evaluated on its own merits. The risk premium, essentially, that's transferred is where the project can be—where the bidders would be able to find ways of doing things differently or better in order to add value to the project, and that is transferred to the winner of the project. The reason for that is that in most of these cases, the winning bidder constructs the project, finances it, and then often operates it. So they have a huge interest as an operator in ensuring that it's done really well, because they're going to bear the cost of any failures over the course of that, say, 30 years. As a result, they will want to add modernizations or different structural pieces into the bid, which would probably raise the price of it to some degree but save money over time. That's what's evaluated by the ministry as these bids come in.

Mr. Percy Hatfield: What sort of comparator do you use when you're calculating the risk premium—some number that suggests what a typical cost overrun would be incurred in the traditional approach to building infrastructure? What's your comparator in calculating how the risk premium is come up with? How do you come up with it?

Mr. Giles Gherson: In a hospital project, for example—

Mr. Percy Hatfield: Sure.

Mr. Giles Gherson: Let me ask my colleague.

The Chair (Ms. Cindy Forster): Could you identify yourself?

Mr. Chris Giannekos: Chris Giannekos, assistant deputy minister, previously of IPPD, infrastructure policy and planning, of the previous Ministry of Infrastructure.

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The Chair (Ms. Cindy Forster): Thank you.

Mr. Chris Giannekos: It's based on the value-for-money concept, and the value-for-money concept is a model that looks at all the costs of a particular project and determines which ones can be transferred to the private sector proponent, who may be able to do it perhaps better than in a traditional model.

The information that is used to determine that is based on industry experience. It is done by cost accountants from the major accounting firms, who have experience in this. They determine what the probability is of the proponent being able to undertake this risk, compared to a traditional delivery.

Mr. Percy Hatfield: So we don't have an average, be it 20%, 30%, 40% or 50%, but if you add a 50% risk assessment on top of the project's base cost, if a value-for-money comparison shows that a hypothetical private partner can beat this inflated public comparator, then you go with the AFP project. Is that correct?

Mr. Chris Giannekos: Yes.

Mr. Percy Hatfield: What percentage of all infrastructure projects go the AFP route?

Mr. Chris Giannekos: It's actually a very small amount. I'd have to get back to you on the number, but I do not believe it will be more than 25% of the total spend—and that will vary by year as well.

We're looking at about 80-odd projects. If you think about the total cost of those 80-odd projects and you compare it to an annual spend of \$12.5 billion, the vast majority of the government's infrastructure spend is traditional. The lion's share is by far traditional.

Of the large, complex projects, the trend is for them to go AFP, and the major reason for them to go AFP is as follows: Infrastructure Ontario has put together a sophisticated group of individuals that can actually compete with the private sector on an even basis, on an even keel. These are professionals who have been hired from the industry, who can actually take on the private sector. Their ability to project-manage is superior because it's their business and they do it over and over again, as opposed to the experience within government, which varies, because you don't build a courthouse every day, you don't build a jail every day, and you don't build a hospital every day. Getting people whose business is to do that to sit opposite the table from general contractors who do this for a living provides a significant advantage in terms of the project management. That's one.

The second thing is the due diligence that is done, which is a significant cost up front. There is sophisticated due diligence, a lot of it done in terms of ironing out what the contract will look like, what the costs will look like, and it's done at numerous phases—and all of this is on Infrastructure Ontario's website. That part of the due diligence up front pays dividends, because it comes up with an ironclad contract that ensures the risk that is transferred over to the private sector, the private sector bears. So if there are any issues with cost overruns, "scope creep" or any of that, the private sector has to bear that.

Mr. Percy Hatfield: Chris, you mentioned a list that you could get to us. Can you have that here tomorrow morning at 9? Is that an easy thing to do?

Mr. Chris Giannekos: I can get you what's on the infrastructure website on how this works, yes.

Mr. Percy Hatfield: Okay, how it works, but also the list of the projects that are AFP and the projects that are the traditional method.

Mr. Chris Giannekos: The projects that are AFP I can get you, because they are on IO's website that speaks to their market update, so that's already available publicly.

The projects that are traditional are spread across all ministries. For example, the Ministry of Transportation would have a significant amount of projects, ranging from rehab all the way to expansion projects, that are actually published both for MTO and MNMD in their highways updates. They do provide publicly what those lists of projects are. I would assume, if memory serves me correctly, most of those, if not all of them, would be traditional.

Mr. Percy Hatfield: What's the main reason that you don't go the AFP route? You say that some hospitals, for example, are AFPs and some aren't. Why do some hospitals lend themselves to an AFP and others don't?

Mr. Chris Giannekos: The general answer to that is one of scale. The smaller the project, the more it doesn't fit the AFP model because of the significant due diligence and transaction costs upfront. Those transaction costs are set irrespective of size. So if you're a very small project, under \$50 million—which is the cut-off that we have; everything above \$50 million should be looked at to see whether it fits for AFP—and if it has a positive VFM, then they proceed. The VFM is checked at three stages, actually, to ensure that it continues to be positive all the way to financial close. Above \$50 million, you have to look at AFPs; below \$50 million, it doesn't make much sense because the transaction costs alone would ensure that AFP would be significantly more expensive than the traditional way of procuring that infrastructure.

Mr. Percy Hatfield: Earlier on, the minister spoke of 30 projects, and 28 on time and on budget and so on. Is the government re-evaluating how it calculates an acceptable risk premium? As you would know, there have been numerous reports that suggest that you've been actually overpaying on the risk premium.

A couple of years ago, and I'm sure you're very well aware of this, a University of Toronto professor—I'll probably not get his name right; Matti Siemiatycki—found that the government paid a premium of 15%, or about \$1 billion, above the cost of traditional public procurement on its first 26 AFP projects. That number might be quite a bit higher now; there have been quite a few more AFPs. Are you recalculating what the acceptable risk premium is?

Mr. Chris Giannekos: That's a very good question; I'm glad you asked. Let me just preface my remarks by saying that AFP is an evolving model. It was started by the government about six years ago, and it is evolving as the players and the market evolve. One of the major tasks of the ministry is to continuously monitor and ensure that IO is upgrading the way that it is calculating its VFM and the way that it is calculating the way that it does business.

I would also like to add that under the previous minister and the current minister, there are consultations with

industry to ensure that we are aware of issues that they may have, that they feel need to be addressed with respect to the model. We're continuously looping back to see how we can improve the program and improve the way that we calculate. IO has already undertaken—and has actually completed—a third party evaluation of their value for money, the way that they do the risk premium and everything else that you've pointed out, too. So there is third party evaluation that looks at whether or not we need to update the model. The model has to be updated, and it is updated across the world.

We also look at best practices in other jurisdictions to be able to learn from them. As the minister said in his speech, IO is doing pretty well in terms of being in the top of the pack.

This is not a perfect model; it is based on the judgment of experienced professionals. I do not want to leave the impression that we have the ability to perfectly calculate, down to the infinitesimal decimal point, what the cost is going to be. What it does do, though, is it helps us and guarantees project discipline and keeps costs within what they have been estimated at during financial close and at the RFP stage. It really does help to manage the cost overruns and "scope creep." It's not perfect, but it is an improvement over the way that we've done business in the past.

Also, it doesn't really work for small projects unless you bundle them up to a significant size.

Mr. Percy Hatfield: Chris, you said that IO has looked at this. I imagine there's a document out there already. Can that be tabled for this committee tomorrow morning?

Mr. Chris Giannekos: I'd have to go back to IO and determine that.

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Mr. Percy Hatfield: So we'll get an answer tomorrow morning on whether you'd bring it—

Mr. Chris Giannekos: Yes.

Mr. Percy Hatfield: Thank you.

I don't want to sound too cynical, but there are some in the industry who say that the premium number is cooked, that it's calculated to simply compensate for lower government borrowing costs, lower transaction costs. In other words, whatever number is needed to justify the AFP approach on a particular project is fabricated to make sure the AFP approach seems to be cheaper. Could you comment on that, please?

Mr. Chris Giannekos: I've just been given some information to a previous question you just asked, if I may address that.

Mr. Percy Hatfield: Sure.

Mr. Chris Giannekos: VFM methodology—and this is online—shows the average risk premium to be 5% of capital costs for build finance and 7.5% for design build finance. So there is a percentage out there and it is public. I didn't have that before. I have it now and I wanted to get back to you.

In terms of criticism of the AFP model that you've suggested, we've heard the same and we've heard the

opposite, as well. You do get both sides of the equation stating their case. As is, I think, general wisdom, the truth probably lies somewhere in between.

Again, I don't want to give the impression that these numbers are totally accurate to 100%. They do represent an improvement. They do represent an improvement in the way that we procure. It is an evolutionary thing, and the ministry constantly tries to refine the model through consultations. Do we always get it right and is it perfect at the end of the day? I don't think so, but we're constantly striving to improve it, and we have seen cost advantages. Can we get better at it? That's the challenge that the ministry will be facing going forward.

Mr. Percy Hatfield: You're doing this constant evaluation. Do you have any studies that assess whether you have been overpaying too much or not on the risk premium? If you do, how much do they say you have been overpaying?

Mr. Chris Giannekos: We don't have any studies on the risk premium per se. What we are looking at is the whole model and the VFM methodology, as a whole, and that's the study that I mentioned previously that IO has completed and which we will try to secure for you.

Mr. Percy Hatfield: Will you table all internal studies evaluating this AFP approach with this committee?

Mr. Chris Giannekos: The studies are currently in draft form, but once they are finalized, I see no reason for it not to be tabled.

As a matter of fact, one particular study was referenced by the previous Minister of Transportation last year that we undertook to take. That particular study is what we are currently finalizing.

Mr. Percy Hatfield: What's your best guess on draft form versus final product and its release?

Mr. Chris Giannekos: How long it would take? Is that your question?

Mr. Percy Hatfield: Yes.

Mr. Chris Giannekos: We've done most of the work at the staff level. We need to consult with some of the ministries that have been the IO partners. It's difficult to estimate, but I can't see it taking more than a couple of months.

Mr. Percy Hatfield: And that would be released publicly at that time?

Mr. Chris Giannekos: Yes.

Mr. Percy Hatfield: Are you considering changes—I think we've touched on this a bit—to the formula and are you considering reducing the amount of the risk premium?

Mr. Chris Giannekos: I can't speak to the specifics right now on that particular question.

Mr. Percy Hatfield: All right. That's fair.

In a real-world example, then, the \$5-billion Eglinton LRT: My understanding is that you originally intended that the whole project would be an AFP, but at some point, you ended up excluding the tunnelling part of that. Why is that?

Mr. Chris Giannekos: On that, if I may be so bold, the specifics around Eglinton are the responsibility of the

Ministry of Transportation and Infrastructure Ontario. We oversee the modelling and the policy around it, but for individual, specific projects it's the responsibility of the proponent ministry. So I don't have the details to speak to that.

Mr. Percy Hatfield: Is there anyone in the audience today that might have those details?

Mr. Chris Giannekos: Not from our shop.

Hon. Brad Duguid: Although I can add that I think you have Minister Del Duca coming next to estimates, if I'm not mistaken, so you may be able to get a response from the Ministry of Transportation at that stage.

Interjections.

Mr. Percy Hatfield: Sorry. I'm just getting some whispers in my ear.

The question, going back to the tunnelling that was excluded: Was that a yes or a no, that you have excluded the tunnelling from the AFP process?

Mr. Chris Giannekos: I cannot speak to that.

Mr. Percy Hatfield: You can't speak to that? All right.

Mr. Giles Gherson: That really isn't within our purview as a ministry.

Mr. Percy Hatfield: Okay. Thank you. So you can't speak to the tunnelling being excepted, but can you speak to the Eglinton project itself being a \$4-billion project? Or is that out of your purview as well?

Mr. Chris Giannekos: That would be out of our purview and subject to the Ministry of Transportation.

Mr. Percy Hatfield: All right.

I know there has been criticism, if I go back to the Herb Gray Parkway experiment, if you will, and how that was handled. Part of the process that I'm familiar with on the girders that had to come out once they were proven to be defective was that Infrastructure Ontario, during the course of coming up with the contract in this project, had taken upon itself the ability and the right to, if you will, overrule the people who were familiar with building highways, the Ministry of Transportation. Ministry experts first came up with questions about the structural integrity of the girder construction methods that they were using and had advised Infrastructure Ontario not to allow them to be built—not to allow them to be put into the ground, if you will—but Infrastructure Ontario was afraid that any delay might cause a problem with the funders of the project, so they were initially reluctant to look at the safety of the girders. So they had the ability to keep the Ministry of Transportation experts away from doing their due diligence, which is what has been their traditional role. The evidence is there. It has now led to delays, but it also led to a very expensive cost overrun.

On a go-forward basis, as you look at good examples and bad examples of other infrastructure projects, are you going to be looking at what happened there and, as a learning curve and a learning point, not allow the agency of Infrastructure Ontario to keep the experts from the transportation ministry from actually doing what they're supposed to be doing, looking at the long-term integrity and safety of highway construction projects in Ontario?

Mr. Chris Giannekos: That's an excellent question, and the short answer is, "Of course." Part of the responsibility that we've had in the past, and that the ministry continues to have in the future, is to continuously learn from all of the projects that we've undertaken, irrespective of who the ministry is, and not just in our jurisdiction but across the country, North America and the world. We do that on a constant basis.

In this particular case, I'm not totally familiar with the level of detail that you have presented, and obviously you have researched this, but what I can say to you is that, at the end of the day, it didn't cost the taxpayer a dime. That is something important to remember: that the AFP model does, when it works, even in situations that are challenging, put forward the proposition, and act on it, that the private sector proponent who is responsible for delivering the project, if something goes wrong with it, has to pick up the cost. That, one can look at on the positive side of the ledger. What you've described is perhaps, if I may describe it as such, on the negative side. Our job is to try to improve the methodology.

1030

Hon. Brad Duguid: I want to add to that a little bit, if I may.

The Chair (Ms. Cindy Forster): Minister, can I just let you know—Mr. Hatfield, you have three minutes in total left in your time.

Mr. Percy Hatfield: Thank you.

Hon. Brad Duguid: Well, I'll just add very quickly that the fact that this was an AFP project meant that the cost overruns were borne by the contractor, not the taxpayer. That's one of the important aspects of this and one of the reasons why, in this case, the AFP model itself worked well in taking that risk away from the taxpayer.

There were challenges with this project. We all know that. I think the key here is that we will learn from those challenges to ensure that, going forward, we take a system that works well and make it even better.

Mr. Percy Hatfield: I guess I'll use the last bit of my time to talk about another infrastructure project, the South West Detention Centre built in Windsor. Here's when ministries are interrelated: Corrections says we need a new jail; infrastructure, I guess, builds it. You plump it down in the middle of a farmer's field, three kilometres away from the nearest bus stop. There are no sidewalks and very little shoulder on the county road—it's out in the middle of the farm field—so people who have to get to the jail, be it a mum with two or three toddlers coming to visit dad, are walking very dangerously on side roads, three kilometres from the nearest bus stop.

Where do we get the money, as a municipality? As well you know, being on municipal council for many years, Minister, municipalities get gas tax money and different things to fund their projects, but it's all allocated. They can't just go out and start building sidewalks and start delivering bus routes because the government plops down a jail in the middle of nowhere.

I know the municipality of Windsor—Transit Windsor—is looking for, I think, \$150,000 to come up

with a method of diverting buses and building a bus route from an industrial area so people who work at the jail, be it in the kitchen, or groundskeepers, or people who have to visit the inmates, get to go there in a safe fashion.

Where does the responsibility for Infrastructure Ontario lie—or the Ministry of Transportation or the ministry of corrections—for getting people there safely on buses, when you plop something down in the middle of nowhere?

Hon. Brad Duguid: I can see where the member's experience as a local councillor comes into play in his current responsibilities. We have a number of programs, some of which I spoke to in my opening comments, to help municipalities with infrastructure. Most of those right now are geared to roads, bridges and, in urban areas, transit, and water/waste water, but that does take resources away—it provides opportunities for municipalities to use their resources on other priorities as well when we're partnering with them on those particular projects.

I would be happy, though, through my own ministry staff and political staff, to touch base with your office just to see if there is a program that the municipality could qualify for to assist them—there may be—which I'm not aware of. I don't think so, but there may be. So I'd be happy to work with your office to see if there is. If not, then I would suggest the funding that we're providing for the other projects helps offset funding that municipalities would otherwise have had to invest. It does open up some opportunities for them to fund projects that may not qualify under some of our programs.

Mr. Percy Hatfield: Thank you, Minister. I know the municipality has come up with a lot more than \$150,000 for this experimental bus route, but it would be nice if there was some money available that they could partner in coming up with some solutions to this, because it's very dangerous.

The Chair (Ms. Cindy Forster): Thank you, Mr. Hatfield. I'm going to turn it back over to the minister. You have 30 minutes to respond to the questions.

Hon. Brad Duguid: Thirty minutes? Well, I'm happy to do that.

Thank you for some of the exchanges that we've had. I want to start off by maybe going back to some of the infrastructure projects we're talking about. I think it's important that I, as a minister, and we, as a government, be realistic when we're building infrastructure.

Our record has been relatively good—in fact, very good by comparison to previous times and by comparison, I think, to other jurisdictions. That's what has made us in Ontario somewhat of an international leader when it comes to infrastructure projects.

There are not a lot of jurisdictions that do it better than us, but I think it's really important for us to always be striving to be even better. Some projects do not go the way you want them to. Sometimes it's weather that delays them. Sometimes it's soil conditions that you don't expect to see. Sometimes it is structural challenges that we face. We want to always be working with all parties, recognizing that the opposition have a role, when some-

thing does go off the rails from time to time, to do their job as critics and criticize us. But, at the end of the day, we all want these projects to succeed, and we want the taxpayer to also be treated respectfully in these projects, which is part of why, in the AFP case, we try to offset that risk to the contractors.

Over time, if you look at some of the projects that we have had challenges with in the AFP process, taxpayers have been saved a great deal. I think of, for instance—it's some time ago now, and it may have been one of the first that we did this way: the Bruce nuclear refurb that was done. I thank goodness now that we did that in a way that offset the risks of overrun primarily to Bruce. Otherwise, that would have been challenging for Ontario taxpayers.

Going forward—you learn as you go, and we're out in front of most other jurisdictions on this, which is a good place to be, but it's also a place where we can't be resting on our laurels. We are open to suggestions. When the opposition or my government colleagues find challenges within some of the projects that we have, I want to hear about them. I don't want to be one of those ministers who's always on the defence every time something goes wrong. Every time you put a shovel in the ground there's potential for that to happen, public sector or private sector.

Having more private sector involvement in the projects that we provide—I think that's had a factor as well. I think that has driven efficiencies into some of our projects, and I think it has been a positive benefit overall. But we always want to be scrutinizing what we're doing.

One of the areas I want to do some work in is, I want to make sure that work that's being done among stakeholders when we build projects is being done in a more cohesive way. I'm working with Infrastructure Ontario as well now to work on that. We are going into areas we've never gone into before in infrastructure and using some of these models.

My previous post was training, colleges and universities. We've built a couple of college projects that have gone well, but there's resistance sometimes with stakeholders because they're used to their way of doing projects, and I understand that. For the most part, many of them have been doing a good job at it. But if we can do better through newer and better models, then we sometimes have to work with our stakeholders to get them there.

You'll hear sometimes, when we do move in that direction, some noise from some of our stakeholders, whom I listen to. I think you always have to listen. But, at the end of the day, you have to make judgments on what's best for the overall public interest. It's something I will endeavour to continue to work with all my colleagues on, because often it's the local MPP who will hear most of the noise when we bring in some of these new systems of infrastructure building. I'll endeavour to continue to work as closely as I can with all of my colleagues when it comes to ironing out some of those challenges that do, from time to time, take place.

I want to reiterate our commitment to continuing to push the envelope when it comes to AFPs. I think the notion of private involvement in capital spending for governments—I would hope that we're beyond that now. I would hope that we put older philosophical debates behind us a little bit and start focusing on what is in the public interest, what's best for the public. I think of those 23 hospitals we've built, or I think it's 650 schools that have been renovated or rebuilt, that may not have been able to happen had we not had that kind of a model in place to be able to do more with less as best we can.

1040

Overall, my sense is that your average person in Ontario wants to see us continue to address our infrastructure needs. We spent over \$100 billion over the last 10 years. That's a record spend. It would be hard to find other jurisdictions anywhere that have been on par with us on that, certainly in North America; outside of North America it might be a little different. But we're not resting on our laurels. That's why we have put in place a long-term capital plan, that's why we're endeavouring to spend \$130 billion over the next 10 years: because we know there's a need there. We know there has been an infrastructure deficit that's built up over governments of all stripes over generations, for a variety of different reasons. We're trying to think longer-term.

We're also recognizing the tie-in between infrastructure investment and the economy, and it's an important tie-in. Over the last 10 years, we've always been conscious of that, but I think that, as we continue to work hard to grow our economy, we want to be ever more conscious of the importance of strategically investing in infrastructure in areas that are going to grow our economy.

I look at public transit—a crucial, crucial investment when it comes to building that next-generation economy. All of us want to build for our kids and grandkids. Certainly it's impactful in terms of quality of life, whether it's getting to and from work, whether it's getting to and from appointments, whether it's just moving around our cities. The cost of gridlock we all know is huge; it's billions of dollars. We've seen the numbers. We've seen the studies. We really can't afford to not be investing big time in improving that, and the best way we can do that, certainly in urban areas, is through investments in public transit. In more rural areas and perhaps some urban areas, it's investment in roads and bridges as well. That's so crucial.

Like I said, it's crucial to getting us around our communities, but when you think of the business aspect and the importance of being able to effectively move goods around the province, it's significant. It's important. It's got to be a priority, and certainly it is for our government.

Traditionally—and I say this with respect to all predecessors and, again, governments of all stripes—it's easy for politicians to draw lines on a map to say, "This is our transit plan." God knows we've seen that through all levels of government. One can almost take out a Magic Marker sometimes and just draw a line on a map. What's important is that you also back that up with plans to fund

these projects and make them happen. That's the stage that this government is at now.

It's not easy; it's challenging. During tough fiscal times, it is a case of, at times, making choices between what infrastructure is our priority and what infrastructure may not be, but we're taking some of the measures that we need to take to do that.

In our last budget, we identified a number of revenue sources. A number of the transit projects that are currently identified that are up and running are funded through our budget. There are some future projects that will be funded through some future initiatives that we're taking, and we're taking these very seriously.

Many of you will recall an announcement we made, I think it was in August, down at the downtown Toronto—it's rated as some of the most valuable land the province owns, known as the LCBO lands. We've put those lands up for sale. The proceeds from that sale will now go into what we call the Trillium fund, which will help us fund public transit and roads and bridges going forward, to ensure that we're not taking funds from an asset like a real estate sale and, as much as we have a deficit, just shoving them into dealing with our short-term deficit challenges—which I'm not sure anybody around this table would think is the responsible way to go. We want to make sure that we take those revenues and invest them in something that's going to benefit Ontarians for generations ahead. I believe, and I think probably all of us understand, that infrastructure investments do that, in particular when they're strategic investments in things that create jobs and build a strong economy. That's why I'm so excited about the investments we are making across the province in public transit, whether it's Kitchener-Waterloo, whether it's Ottawa or whether it's Toronto. That's why I'm also excited about the investments we're making in roads and bridges across the province. Municipalities and our local communities know how important those investments are. Sometimes it's a matter of safety; sometimes it's a matter of efficiently moving people from one community to another. These are investments that I think all of us around the table are supportive of, frankly, as we move forward.

I want to talk a little bit about the real estate division as well. We are the second-biggest property owner in the province. I could be wrong; it's probably the federal government—

Mr. Randy Hillier: Largest.

Hon. Brad Duguid: Largest.

Mr. Randy Hillier: They own all the crown land.

Hon. Brad Duguid: Well, the federal government is larger, right? I could find out about that for sure, but we're a big property owner. We own a lot of real estate. I think it's really important that we're looking to ensure we're getting the highest and best value out of those assets for our taxpayers. It's something we've been working on for some time. We've talked about it in previous budgets. We've taken some actions with regard to that. But it's something that we need to continue to work towards. Certainly our real estate development—my advice to

Infrastructure Ontario and our realty division is to be very aggressive in looking for opportunities to take advantage of our real estate holdings.

We have some challenges. A number of our real estate holdings have run down over the years. We see that in places like Ontario Place. We see that in some of our government buildings. We see that in some of the buildings our offices are in. We see that across the province, in other facilities that serve the public. That's a challenge during fiscally tough times as well, but one that we can't ignore either, because these are assets. It's important, when we ask municipalities to have asset management plans—we also have to have our own asset management plans. So, over the coming months and years, we'll continue to work hard to do a better job at managing our assets; do a better job getting value out of our assets; do a better job of looking for ways, where appropriate, to sell off assets that we no longer require, but ensuring that we use the revenues from those sales for longer-term gains for the people of Ontario. That's something that I endeavour to continue to move forward on as a minister.

We're also trying to reduce our footprint for office space. Modern office spaces are changing. The private sector is seeing the need for office space not to be what it once was. I want to continue to look for the best possible techniques that I would say businesses are slowly evolving to when it comes to giving people the opportunities to take better advantage of technology, working from home, and building office space that's not only for the office today but for an office that's going to be required 10 or 20 years from now. I see in my own household often that a lot of work people do they can do from home today, which they couldn't do in the past.

I think we've got to start taking a more modernized view of our office space. We have a goal of reducing our office footprint by 1.3 million square feet. It's an ambitious goal, but we're 35% of the way there now. There's still a ways to go, but we're 35% of the way there now, which indicates that we are taking this seriously. We've consolidated offices and we've gotten out of a lot of the more expensive leases, often in downtown Toronto, which has helped get us along the way. But we've got some challenges when it comes to our current office space. Over the course of time, I'll be talking more to my colleagues on all sides of the House about how we address some of those challenges. How we take a businesslike approach is really what I'd like to take to our real estate assets. Sometimes that can be challenging politically, and that's why I think it's really important that, when we do that, we're very, very transparent about what we're trying to do and how we're trying to get better value out of the assets that we have.

1050

One of the things that I think is important: You have our mandate letters, and you'll see that it's really laid out as to what our goals and responsibilities are as ministers. I hope that helps the opposition in being able to hold us to account, and I hope that it helps the public in being able to hold us to account somewhat. These mandate

letters have never been shared publicly before. There may come a time when it makes life a little more difficult for us on our side of the House, as well, but I think that's a good thing, because it does hold us accountable for the work that we're doing.

I look forward to working with my colleagues on all sides of the House, as well, as we look for ways to improve our infrastructure projects and the way we do them. As we look at alternative financing and procurement, I think it's important that we listen to all sides, whether they agree with the approach or not. It's also important that we continue to get good value for taxpayers' money, and I think that's really what we're ultimately striving to do.

Madam Chair, I could go on, and I may if you want me to, but I'm wondering how much time I have.

The Chair (Ms. Cindy Forster): You have 10 minutes.

Hon. Brad Duguid: I've got 10 minutes left, and I have plenty that I could talk to you about.

I think it's also important within government—I talked a little bit about the stakeholder management when it comes to infrastructure projects—that we manage relationships, because there is a lot of interaction between Infrastructure Ontario and front-line ministries, whether it's the Ministry of Health, the Ministry of Transportation, the Ministry of Training, Colleges and Universities, the ministry of corrections. I think that, in the past, sometimes there can be signals missed.

Mr. Hatfield brought up some issues. I can't confirm whether what he said was actually the case, but sometimes there can be a need to have a better, more co-operative approach taken, even within government, to some of these projects. That's something that I want you to know I'm working on with Infrastructure Ontario, and I'll be working with my colleagues in their front-line ministries to try to continue to improve, as we look at the model that we're using now and try to find ways to tweak it to make it even better.

I like to look at infrastructure as perhaps being my most effective goal when it comes to building a strong economy. There are other things we need to do when it comes to the economy, like building a good environment for investment, attracting foreign direct investment and our trade policies. The fact that we're number one for foreign direct investment in North America today is a great thing for all of us. It's good for our economy. It's something that we can be proud of, and I hope that we remain at or near the top of the ranks in terms of attracting foreign direct investment. I think that our infrastructure policy is important for that as well. It does ensure that we have competitive infrastructure. I talked about the transportation file, and the roads and bridges that are so important in terms of getting goods around, but there's other infrastructure, as well, that is important. Our energy infrastructure, for instance, is so, so important. We look at some of our infrastructure in energy, and we see aging infrastructure in some of our nuclear fleet. That's going to require some important decisions moving forward in terms of the refurb of that.

What's really important from our perspective, too, is making sure that we procure those very significant investments in the best possible way. I think the learning experiences we have had in the past will enable us, as a government, to do that in the best possible way. Alternative financing and procurement has certainly proven, I think, to be one of the best ways for us to take on those very significant energy projects.

I look at, as well, the investments that we need to make with our municipalities. I haven't talked too much about that—a little bit. It's really important that we continue to work with our municipal partners. They recognize, as we all do, that we're in tight fiscal times, and that growing the amount that we invest in terms of infrastructure in municipalities is challenging, but we're trying as very best we can to help them meet their infrastructure needs. That's why we announced in August a couple of new programs that we're rolling out that really respect the views of municipalities when it comes to how best to deliver those projects.

I take some pride in that as somebody who was a former municipal councillor. As I said earlier, there are a few former municipal councillors here. It used to drive me crazy when I was a municipal councillor and we'd have our list of our top 10 priorities—it may well be that a federal or provincial government of the day decides, "Today waste water is going to be our top priority." In any given municipality, that may be a top priority or it may not be, but you still have projects that need to be done. What that does is, it almost distorts a municipality being able to get at what are their top priorities.

As long as we have municipal asset planning that's effective and that we can have confidence in—and we're working hard with our municipal partners to provide that—I think we can have more and more confidence in providing more leeway for municipalities for a formula-based approach. As I said, that may not be best politically for us. It may not be as interesting every year when we announce that the formula will roll out again in subsequent years. I think as a government we'll all do our very best to accommodate that. But I think it makes for better planning for municipalities, and it's something that will serve us well going forward.

At that, Madam Chair, I think I'll draw my comments to an end, and I look forward to further proceedings.

The Chair (Ms. Cindy Forster): Thank you, Minister. We'll move to the official opposition—20-minute segments. Mr. Walker.

Mr. Bill Walker: I'll be sharing my time with some of my colleagues as well.

Minister, as I often try to do, I'm here to try to make you look good and do well for our province—

Hon. Brad Duguid: You're not under oath. Point of order: I think he's misleading the committee.

Mr. Bill Walker: I'm going to take a little bit different tack. I'm going to talk a little bit more to some specific needs as regards my riding, but also for most of south-western Ontario. I've talked to you offline on these, and I thank you for listening to me. But more, this is getting a

chance—and still being a relatively new member of the House—to understand how all of it works, and the machinations—lists that do exist, lists that don't exist, lists that we don't see.

I'm just trying to get that because, a month or so ago, Minister Hoskins came to my riding and has again approved the Markdale hospital, which is great. Everyone in that community who has had \$12 million in the bank for 10 years waiting to build a hospital was euphoric with that announcement. There is supposed to be more money coming with that. The downside—and I remain cautiously optimistic and hold hope that this will happen—after the euphoria melted away, was that he didn't say when and he didn't give any solid deadlines. He didn't give any times on when construction would start.

When I hear you talk about a realistic plan, a 10-year plan, how the impact of the economy and jobs is going to happen, this is one that very much has all of those merits. So I'm coming today to ask you more point-blank, from your side of it, from the infrastructure side: Is this definitely on that 10-year priority list? Is it one of those top priorities? Do you have any strong, significant dates that I can take back to my community to let them know that this project will be going forward with shovels in the ground, and, regardless of what fund it's coming out of, the assurance that it's definitely a priority?

Hon. Brad Duguid: I appreciate the question, and I do recognize that you've been a very strong advocate for that particular project and will continue to be. We talked a little bit earlier on about the mandates and responsibilities with regard to infrastructure projects. The Minister of Health is the front-line deliverer of that project, and timing of that project would be under the auspices of the Ministry of Health for the most part. I can ask my officials if they have any additional information for you on that, but I'm sure that's something we can endeavour to get from the Ministry of Health because they would have that information rather than the Ministry of Infrastructure.

Let me just check to see if I can get you an answer now. I don't know that we can.

Mr. Giles Gherson: Again, as the minister said, that really is a Ministry of Health project. That would be within its purview. We could certainly go back and ask the Ministry of Health as to where that—they've got a whole number of hospital projects they want to bring forward over the next number of years. We don't actually have any information at this point as to where it sits in the queue, but we are more than happy to go back and try to understand from the Ministry of Health where it might be.

1100

Mr. Bill Walker: It would be helpful, Minister. I kind of use your words, that when you're a municipal councillor, it drives you crazy when you hear things but it doesn't—this is really what a lot of the areas of my communities are hearing. So they start to look at their asset management plan, but there isn't the X and the Y that matches at the end of the day so that they can really

do the proper planning and put those things. Then they're juggling priorities. A couple of my other ones that I'm going to ask you are of a similar nature. It's that type of frustration that I am hearing, so I'm kind of bringing it forward. It's my first time to be at estimates, so I brought a little bit of maybe a different approach than some of the others will be bringing.

The other—and I've talked to you extensively about this. I truly believe it fits every piece of your mandate and your government's mandate. It is educational. It's the marine emergency training and research facility at Georgian College in Owen Sound. This one, even more critically, has some absolute time sensitivity. As you're well aware, the feds have divested of that facility and that programming. It's having a major impact now to the graduates. To be able to get that last semester, they had to send graduates to either eastern Canada or western Canada to get that final component of their training. It then has a negative impact on who is going to come and keep going to Georgian College. As you know, the government has put a lot of money into the simulator. There's a world-class simulator there. We believe this is a prime opportunity for your government to step forward and make that commitment so it is that centre of excellence for the marine industry. Our fear is, if we don't keep this in Ontario, all of those programs start to go east and west, and what do we have left? And yet we have the Great Lakes.

As I've shared with you privately, I think going up an escalator at AMO—as recently as that—there is timing here that has to really happen. So I'm asking again for more clarity around, have you had this within your purview? If it's not yours, I know we talked about Minister Moridi. But at some point, one of the two of you—or the two of you, even better—needs to make a yes or a no. Obviously, I'm more hopeful for the yes, because I really do have concerns that it will leave the province. All of that ripple effect economic impact to the marine industry goes with it if they move out of our great province of Ontario.

Has that got to your desk? Is it somewhere where you're actually prepared? If you're not, are you able to go to Minister Moridi and get a message to Georgian College as soon as possible? Because there are some programs that I believe you have suggested they apply to, but there's also that timing. They can't wait for another eight months to get the yes or the no. They need to understand today so they can put their plan in place.

Hon. Brad Duguid: I appreciate that, and you're right: We've been in discussions on this for some time now, and not just privately; I think you even asked me a question in question period on this. I don't know whether it was under my current role or whether it was before the election as Minister of Training, Colleges and Universities. So we've been looking into this for some time.

Georgian College has done a fantastic job when you think of their outreach in the community, and this is sort of an example of that and how it impacts the local economy and it impacts their efforts to improve skills for

the particular community that they work in. Their partnerships are really, really impressive, as you know, as a local member up there.

It is something that training, colleges and universities would be the lead on, as would any individual project generally that you bring up. But I'm happy to re-engage with my colleague Minister Moridi on this and try to get an answer for you, because I recognize that they need to know one way or another whether this is something where we're willing to fill in the gap.

My understanding is that the federal government had dropped the funding for it for some reason or another. We're always reluctant to fill in the gap when it comes to federal funding, because they are not paying their fair share now on a lot of our infrastructure. But at the same time, we've got to look always for the public interest. It's certainly something I'll talk to my colleague minister about, and I'll try to get to you an answer as soon as we can.

Mr. Bill Walker: We'd really appreciate that, Minister.

Hon. Brad Duguid: Otherwise, I expect we'll be hearing from you when the Legislature comes back.

Mr. Bill Walker: You'll be hearing me in question period again, yes.

But I want to just—and I think you've shared, but I know you carry a lot on your plate. The key here is, it's an ideal. So you're talking about federal. I believe the feds are prepared to come back to the table and listen, because they, again, don't want to see it leave Ontario. Grey county stepped up with a million-dollar pledge. Private industry has stepped up, prepared to put money into it. Really, right now, it's the province that is not coming straight up and saying yes or no. I mean, at the end of the day, we need an answer to be able to move those forward, because again, there is a time sensitivity. It's starting to impact enrolment, because students are really concerned: "If I can't get in here, I'm going to go to a different college. I may not even come to the province of Ontario." We get international students to come to this program because of all the excellence that we have. This is kind of an added component that would actually enhance the sustainability and viability of Georgian College, in a marine sense, for the foreseeable future.

It's a \$2-million investment. That's not a significant amount, when I look at the numbers you're doing. Part of my clarification coming here, again, is, how does infrastructure work with those front-line ministries to make sure we're coordinated and that we're not going down two separate paths? I think this is an ideal one. We definitely would welcome your support.

My third one is of a similar nature but much more specific to all of southwestern Ontario: SwiftBroadband. I've certainly sent some correspondence to your office and to other ministers. This is to bring broadband across southwestern Ontario. Really, right now, a lot of our rural communities are at a disadvantage because we don't have high-speed Internet the same as a lot of the urban areas do. A lot of our small businesses either can't be in rural

Ontario or they certainly can't expand to where they could be world-class and, to what you said earlier, working from home. I mean, the Bruce Peninsula, if you've ever travelled up there, is one of those ideal places. If you can sit on the dock and do your work from there, what better office could you have? But we don't have that without that high-speed Internet.

Again, Grey county has stepped up. They're partnering with the Western Ontario Wardens' Caucus. There's an opportunity there. They did a feasibility study in 2013 that I believe was submitted to your office, that actually shows it's about a \$93 cost per person, slightly less than the eastern Ontario regional network, which was about \$114.

This again fits all of the right things, I believe, from your infrastructure mandate, what you want to do: creates the jobs, gives viability and sustainability to rural Ontario to be on par, to be more of that economic engine to sustain and enhance your government.

It's one of those ones, again, that we need to move forward. We need to know, are you supportive, and is that you? And if not, what colleague can you work with to make sure there's a "yes" or a "no" answer given?

Hon. Brad Duguid: I appreciate that, and you're absolutely right: There's an economic imperative to continue to expand broadband. We have made investments in the past, and I think the federal government has made investments in the past as well.

It's about connecting the province in many ways, bringing communities into a state where they can compete and communicate in this world. I mean, communication is so important. The old adage that "the world is now flat" is true in many ways. Once you have access to broadband, you can do business almost anywhere, and many different types of business. In particular, I can see where it would be very, very important in remote communities, be they aboriginal communities or be they parts of rural Ontario that still don't have access.

I know what you're saying about the dock issue. At my cottage, I still can't get my cellphone there yet. I'm kind of happy, at this point in time, that I can't, but there are moments when it would be good to have that too.

I think the issue of expanding those services province-wide, whether it be broadband; whether it be cellphone—and that's obviously private sector; whether it be access to natural gas, which is important in some communities as well and important from an economic perspective in some communities, where it would be a real competitive advantage to be able to provide industry with access to that—actually, part of my ministry, as you would see in my mandate letter, is working on developing programs to invest in expanding natural gas to those communities. To me, I look at them in a similar way: It's about expanding opportunities for prosperity across the province and improving quality of life at the same time.

I don't have any specific response for you today in terms of our plans for broadband. I'd be happy to give you some information on what has been invested to date

and what the future plans are. I'd be happy to share that with you, but I don't have that with me today.

Interjection.

Hon. Brad Duguid: Deputy Gherson just advised—

Mr. Bill Walker: The cheque's in the mail? Thank you.

Hon. Brad Duguid: No. It may be one of the things under our small communities investment—

Mr. Giles Gherson: Federal.

Hon. Brad Duguid: The federal-provincial fund that we've set up with the municipalities. It is possible that broadband could qualify under that for municipal partnership projects as well. It's something that, certainly, with my political staff in my office, if you have a municipality that has a project—and I know there's at least one that I met with at AMO that did—we are looking to see if that's eligible under that particular plan. So there is a possibility, probably for smaller projects, for some opportunities under that at the present time.

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Mr. Bill Walker: The great thing with this one is that there are 310 actual communities that are going to be impacted by this and they're all working collaboratively. Again, it's a mishmash. It's people coming together saying, "This whole area is going to benefit if we work together, collectively." I think the wardens have come together and done that, and Grey county just happens to have taken a lead. Certainly, that one would be great and appreciated.

The last on my list—again, I've chatted to you about this one—is the Keppel/Wiarton airport. It's a federal, regulated, certified airport, one of the very few that are left. The runway is starting to deteriorate significantly. It needs to be resurfaced—lighting and some upgrades there. If we ever lose it, we'll never get it back. It has a huge bearing on getting things to northern Ontario. It's a hub that, again, is one of the very few certified, federal airports. It's one that is time-sensitive. Every day we're not working on it, going to tender or being able to do it, is a day that someone could come in, particularly at the federal level, and shut it down—which negates, back to that economic spin, to the positive economic benefit. So it's one that, within your plan, we want to make sure we understand if it is a go or if it is not a go.

Again, two municipalities have now combined on it. They're working collectively and collaborating on it to joint-manage the airport. It's not like a lot of the other ones across southern Ontario that are small regional airports. This is a certified federal port. There are a lot of things there. If we lose it, it's a big part of the hub that goes down. It's just that waiting and waiting and waiting, driving-you-crazy mentality. There are a lot of municipal councillors coming to me who are being driven crazy because they can't get, "Yes, we're in," or, "No, we're not." So they're spending a lot of money doing feasibility studies, doing all the things right, but for what? They're now getting a lot of pressure from taxpayers who are saying, "Why are you spending a bunch of money if this thing is never going to go anywhere?" Really, sadly, it's yourselves and the federal government that need to come

together on what I think is one of those great opportunities for a three-party sharing, to be able to do this and keep that and sustain it as part of the infrastructure of Ontario. So it's one that certainly comes back, as well. I think it fits all of the right mandates: jobs, economic growth. The tourism industry, certainly in an area like ours, is fabulous. There's a lot of international tourism that we believe has not taken off but certainly is—Tobermory is becoming more and more of a destination for people from Europe, and that airport is an absolutely critical link in being able to bring them there. Then we can do shuttles back to Toronto and to the other urban areas to bring more people from the urban areas to there and enjoy what I believe is one of the most beautiful spots in our province, obviously.

It's what you said earlier—the management, having the plan and being able to look out and forecast. But that forecast has to meet reality at some point. I think that's what I'm trying to push today. It's great to hear the estimates, but I want to see a bit more of where the plan is and if it's on that 10-year—I keep hearing these fictitious 10-year plans in various ministries, and yet, every time I ask for a 10-year plan, we don't have it.

I'm cautiously optimistic. I do thank you for the time you've given me so far. Today I wanted to come and press—because those are very significant ones, I think, for the province. Certainly, my riding is going to benefit in most cases from those, but it's more about the greater good of the province and the economic development and the jobs and growth creation.

Hon. Brad Duguid: You've done a masterful job at committee in making sure that probably every local project you have going on in there is mentioned and that you're on the record on that, so I commend you for that. We'll endeavour to continue to work with you, as we always do, to give you updates on these projects as they work through the process.

Mr. Bill Walker: Great. Thank you.

I'll turn it over to Ted.

The Chair (Ms. Cindy Forster): Mr. Arnott.

Mr. Ted Arnott: I'm pleased that Mr. Walker was able to come and talk about his local projects in this estimates committee, because they're all worthwhile.

In your answer to his question about the hospital, it seemed that you were a bit surprised to be asked about a hospital project. Infrastructure Ontario has a very important and crucial role in hospital planning and development of new hospitals. In the capital planning and review approvals process that is front-ended by the Ministry of Health, admittedly, it's my understanding that stage 3 and stage 4 of the process—the ministry works hand in glove with the local hospital as well as Infrastructure Ontario on preliminary design or output specifications and stage 4 working drawings or output specifications, to ensure that Infrastructure Ontario was satisfied that the project should go ahead. Is that not correct?

Hon. Brad Duguid: Well, I always hesitate, whenever somebody talks about something like that, to say for sure, unequivocally it's correct—unless I have staff that listen

very carefully to every word you said. But it sounds correct to me.

Mr. Ted Arnott: I'm not making this up.

Hon. Brad Duguid: No, I wouldn't expect so.

The role of Infrastructure Ontario is more to manage the projects and make sure that they get delivered on time and on budget, and many of the hospital projects have been AFP projects. But I'll ask the ministry staff if they want to give you just a little more clarification.

The Chair (Ms. Cindy Forster): You have one minute left.

Mr. Giles Gherson: It really is as the minister said: The Ministry of Health is the proponent of hospital projects, and IO, Infrastructure Ontario, in a sense, helps deliver them. Where those projects fit on a list in terms of whether they qualify and where they stand in terms of the infrastructure rollout is really going to be a product of the priorities of the Ministry of Health, not of Infrastructure Ontario. Infrastructure Ontario is a facilitator, essentially. That's why it's hard for us to speak to that kind of question of where a hospital project would be or whether it would qualify, because we—

The Chair (Ms. Cindy Forster): Thank you. Third party: Mr. Hatfield.

Mr. Percy Hatfield: Let's switch gears a little bit. Minister, we talked aside about the Duff-Baby house in west Windsor, a house that was built in 1798, originally for a fur trader by the name of Alexander Duff. Then the second owner was James Baby. There's a group called Les Amis Duff-Baby, who are volunteers trying to preserve the house and keep it as an interpretive centre more than it is so now. The reason I raise it is, currently, you have several ministry staff occupying the building, using it as office space. This home was built, as I say, in 1798, not designed to be the repository, if you will, of a modern office structure, of photocopiers and printers and chairs and desks.

I hope—if you can find time when you're down in Windsor soon to drop by, I would gladly take you over there for a few minutes just to show you what it is and to meet with the friends, les amis, to discuss the possibility of reallocating current ministry staff, or staff from various ministries, to other offices based in the Windsor area and return the home to what it should be used for. It's a heritage building, and less government day-to-day activity would preserve the building for a long time to come. I hope we can work on that, Minister.

Hon. Brad Duguid: I appreciate the invite, and I think you intrigued me when you told me that Tecumseh had visited that home.

Mr. Percy Hatfield: Chief—I shouldn't say "chief"—the warrior leader Tecumseh has been there, has been part of that building. Brock was there. I think it was President Madison—well, he was a general or something at the time—has been around there as well; he occupied it for a while during the War of 1812, I believe. But it has a great history.

Unfortunately, the people who are volunteers struggling to make sure it carries its history forward feel that

it's under something of a threat because of the ministry occupation, if you will, of the building. They're hoping to have a serious conversation about where we go from here on that.

Hon. Brad Duguid: Now that we have it on the record, I'll be happy to ask our realty staff to take a look at that particular building. I wasn't aware of it. But you've definitely piqued my interest, from the historical perspective. Not that Tecumseh is mentioned at all in my estimates, but he is probably the greatest general to ever walk the North American continent, somebody who should be remembered in any way possible. I'd be happy to look into that further with you. I'm not aware of what the options are for that particular piece of property at this point, but I certainly would be happy to work with you on that.

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Mr. Percy Hatfield: Thank you, Minister.

Infrastructure Ontario handles the financing for a whole range of hospitals, courthouses and transit projects, but is it that you don't feel you can answer a question on the financing of any specific project because technically it's not under the ministry's purview? Is that the position?

Hon. Brad Duguid: Pretty much—I mean, those projects are under the purview of the lead ministries that are responsible for determining what the projects are. There are differences depending on the projects, in terms of involvement from Infrastructure Ontario in how those projects are managed and go forward. In some cases it would probably depend on the project, I would think. Transportation, for instance, has been procuring road repairs for generations—forever. And Infrastructure Ontario, my understanding is, has very little to do with that, for instance.

If you have specific issues, I don't have any objection to you raising them; I just don't know whether we'll be able to give you answers for them today. And some of those answers may have to come from the lead ministries.

Is there any other—

Mr. Giles Gherson: No, I think that's really the right answer. I think if there are general policy questions around the way Infrastructure Ontario operates or the financing of infrastructure projects, we would be pleased to answer those because we have responsibility there. But in terms of specific projects, those are really the responsibility of specific line ministries, as the minister said, and so those ministers are accountable for those projects in the way that our minister isn't. As he says, it's very difficult for him to really respond to those specific questions.

Mr. Percy Hatfield: Deputy, I take it everyone around here knows that Infrastructure Ontario is handling the major portion of the Eglinton LRT and that the RFP went out in mid-December 2013, but what I heard today is that you can't confirm or deny that, nor can you confirm or deny whether the tunneling has been separated out, because it's not under your purview. Is that your position here at estimates?

Mr. Giles Gherson: Let me just seek some guidance.

If I could provide some clarification, the RFP is out, so we can confirm that, and the tunnelling portion is under a separate contract, which I gather we learned just now.

Mr. Percy Hatfield: That separate contract, is that AFP or not AFP?

Mr. Giles Gherson: No, it's not.

Mr. Percy Hatfield: Large stretches of Eglinton Avenue have been ripped up because of the LRT tunnelling—the contract has been awarded; we know that—but the winner of the AFP or RFP that went out in mid-December 2013 hasn't been chosen, to the best of my knowledge? Am I right on that, that the AFP went out but nobody has been awarded that yet?

Mr. Giles Gherson: It has not been awarded yet.

Mr. Percy Hatfield: It has not been awarded.

Mr. Giles Gherson: No.

Mr. Percy Hatfield: So the tunnelling has been separated out and you've confirmed that?

Mr. Giles Gherson: Yes, I think that was the first part of the project.

Mr. Percy Hatfield: So there are people in the room, then, who have direct knowledge of the status of the Eglinton LRT RFP?

Mr. Giles Gherson: Yes, I believe that's true.

Mr. Percy Hatfield: And the expertise—

Mr. Giles Gherson: I think in this case we are getting information from the Ministry of Transportation as we speak, thanks to the BlackBerry.

Mr. Percy Hatfield: Can they come to the table and answer any questions on that?

Hon. Brad Duguid: They'll be here soon. You'll have the minister himself after I'm done. If you want to be done with me now, though, I've got lots of other things—

Mr. Percy Hatfield: Only if you're coming to Windsor to see Duff-Baby.

Hon. Brad Duguid: That's a deal.

Mr. Percy Hatfield: Okay. So, IO reports to the Ministry of Infrastructure and is doing the financing for the more than \$4-billion cost of the Eglinton LRT. You're not refusing to allow officials to come to the table, because you're saying they are not in the room. Am I right on that?

Hon. Brad Duguid: I mean, just in terms of order, it's the Ministry of Infrastructure, the infrastructure part of my ministry, that's before us now. That's not within our purview; that's within the Ministry of Transportation. So I would expect that that's where those questions would need to be resolved and asked.

We'll do our best to try to get you information here, but ultimately we're getting our information from the lead ministry who is responsible. Technically, I could probably just say that we can't answer that question. We're trying to get you the information as best we can, but it is not my ministry's responsibility for that; it is the lead ministry's.

Mr. Percy Hatfield: All right. As you know, Minister, I'm new to this. It's my first day at estimates, so I don't know if it's within my ability, but I wonder if I could ask

the Chair for a ruling on your position that your officials can't answer my specific questions on the Eglinton LRT. Can I get a ruling from the Chair that the people in the room today don't have the ability to answer those questions and that we have to wait for another minister to be here to answer? I think that's a fair—

Mr. Giles Gherson: Perhaps I could invite one of my colleagues responsible for overseeing Infrastructure Ontario to come here and advise you and advise the room, the committee, about the governance of IO and how that works, because essentially I think what we're prepared to say is that we are absolutely ready to answer questions about the policy and planning of infrastructure in Ontario; that's our role. Specific projects, however, as we were saying, fall under the responsibility of the proponent ministries.

So it's not our effort to be difficult in any way, but it would be improper for us to tread on the toes of other ministries and other ministers who have the specific responsibility for those projects. That's really what we're saying.

To the degree that we've been able to get information via BlackBerry from proponent ministries during the course of this proceeding, I think that what the minister said was that, particularly for transportation projects, to the degree that the minister will be here in the not-too-distant future, that would probably be the best place to get specific, detailed answers.

It's not a question of us being unwilling to answer questions within our purview; it's a question of our being unwilling to answer questions that are outside of that.

Mr. Percy Hatfield: And I appreciate that. I guess that my roundabout way of getting at it is that my information is that the tunnelling was separated out because the bidders were asking for a huge risk premium. I'm just trying to confirm whether that is indeed the case. It takes us back to my earlier questions on risk premium: what the average has been, how it's calculated, what the comparators are and so on.

The Chair (Ms. Cindy Forster): Mr. Hatfield, and the minister as well: The rule of thumb is that if it's a line item in their estimates, it's a fair question to ask and for which to expect an answer.

Hon. Brad Duguid: Just give us a second. We're just trying to see if we can—

Mr. Percy Hatfield: Sure. Thank you.

The Chair (Ms. Cindy Forster): Mr. Hatfield, would you like a five-minute recess while they're huddling so we're not eating into your time?

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Hon. Brad Duguid: Madam Chair, I'm okay to—

The Chair (Ms. Cindy Forster): Okay.

Hon. Brad Duguid: Unfortunately, the truth is, we don't have the technical information with us to be able to respond to that question. You really do have to get the front-line staff here to do that.

It's not an unwillingness. It's not part of our line items in estimates. I think, technically, in terms of process, we probably ought not to be answering that, but that's not

why we're not answering it. We just don't have the technical response for you on that. You'd have to go to transportation for that, unfortunately. I respect the question, but if—

Mr. Percy Hatfield: Thank you for that, Minister. Would you happen to know when the winner of the Eglinton LRT will be announced?

Hon. Brad Duguid: No, we don't know.

Mr. Percy Hatfield: Okay. That's fair. Thank you.

Hon. Brad Duguid: Okay.

Mr. Percy Hatfield: How much time do I have, Chair?

The Chair (Ms. Cindy Forster): You have about five minutes.

Mr. Percy Hatfield: Oh, good. I can use Mr. Walker's example and get to some local issues, I believe.

I want to go back to the new jail in Windsor and the old jail in Windsor, if I could. I know you're looking at the way we do infrastructure projects, and your desire to improve the "best value for the money" option. Take this back to the other ministers, please: When you built the new jail, the ministry in charge of the new jail didn't do enough hiring, so they're sending the people who have to serve their time on the weekends to the most dangerous facility in our part of the province, which is up in London, where people are being killed and murdered and are dying, and it's overcrowded. Yet our weekend people from Windsor have to find their own way to London to serve their time on the weekends.

As you know, Minister, people who serve their time on the weekends are sometimes under great pressure and threat to smuggle in drugs and whatever with them on the weekends. So I don't know why, in the planning, when you wanted to get best value for money, staff wasn't hired to accommodate—it's a brand-new facility, and yet we're shipping people up to London because we don't have enough staff to accommodate them on the weekends. I don't think that will be in the estimates, but I wanted you to take that back. When you're doing planning—best-value money—for the infrastructure that's being built, there has got to be better planning that goes into this, because, frankly, it's quite embarrassing when that happens, let alone the inconvenience to those who have to get their own way up the road.

I want to talk, if I could, about the old jail. It will become surplus, redundant; you won't need it anymore. I know there are people in Windsor who want to use it as a museum. I know you want to get rid of assets and get the best value, the best money you can for the public assets. But on the other hand, you know as well as I do—especially you, Minister, for all of your time on municipal council—that there isn't a lot of money for municipalities to go out and acquire market-value assets, provincial assets, and use them for museums or for other community purposes.

Previous ministers in the past, ministers from our area, have suggested that perhaps there could be—I don't want to say a \$1 transfer fee or something, but an affordable transfer fee of provincial assets to the municipality for future use, to keep that community alive and interested in

the former jail site, which goes way back to 1700, 1800 in that area.

So I just want to put that on record, that people in my part of the province don't have a lot of money—our unemployment rate is high—and they would like at some point to have a serious discussion about the acquisition of the former jail. I don't know if that comes from your realty division or where it comes from, or whether any talks have been initiated at this stage or not.

The Chair (Ms. Cindy Forster): Minister, you have two minutes.

Hon. Brad Duguid: I'm not aware of any talks being initiated at this point, but that doesn't mean there haven't been. I haven't been made aware of this particular issue.

The dispensation of land and assets is governed fairly restrictively in terms of—the province has to get market value for the land that we sell. There may be different provisions for providing land to municipalities, and I could check with my officials to see if there are.

Normally, how you would deal with those issues would be through programs and partnerships with municipalities that, from time to time, may exist with different levels of government—infrastructure projects and things like that. I'm not aware of any right now that this particular kind of project might qualify for, because our recently announced programs are really gearing to roads, bridges and water/waste water type of infrastructure. The federal program might be one that we could take a look at. But I don't think it would—it may not have the value in it, or the expenditure limits in it, that would enable this kind of a transaction to happen.

It's one of those things that I'd be more than happy to take a closer look at with you and your staff and maybe the municipality to determine what opportunities might exist at the provincial level. At this point in time, I would have to look into it further.

Mr. Percy Hatfield: Thank you. If I could, just one final question.

The Chair (Ms. Cindy Forster): One minute.

Mr. Percy Hatfield: One minute. It will be open-ended. Climate change and all your roads, all your bridges: How much of an impact is future planning to keep up with what's coming in climate change going to have on the way you construct and the way you plan for oversized, higher bridges or oversized pipe or whatever that is?

Hon. Brad Duguid: Well, the Ministry of the Environment is now the Ministry of the Environment and Climate Change. I know Minister Murray is actively looking at those kinds of issues. We have to be cognizant of that. I think we want to be leaders in that area. I think it's a very valid point to raise and something we all need to work together on.

The Chair (Ms. Cindy Forster): Thank you.

Mr. Giles Gherson: I would just add very quickly that the Infrastructure for Jobs and Prosperity Act, which is Bill 6, which was introduced in the House, actually makes provision for that, in infrastructure planning, to take into

consideration climate change and adaptability of infrastructure.

The Chair (Ms. Cindy Forster): Thank you. We're going to move to the government for 20 minutes. Mr. Dong is leading.

Mr. Han Dong: My question to the minister is actually a rather personal one. It's about Rouge Park; it is the biggest urban park in North America. I've had the pleasure of working with Friends of the Rouge and volunteers and student groups in the past. They came to my office recently and gave me a briefing on some of the challenges they are facing. Then I learned from the media that the province is quite concerned about the federal government's approach on Rouge Park. So I'm just wondering if you can tell me a bit more, from your perspective, about the concerns that the province has.

Mr. Randy Hillier: Chair, point of order.

The Chair (Ms. Cindy Forster): Mr. Hillier on a point of order.

Mr. Randy Hillier: If there is any relevance to estimates or public expenditures, I'd like—it appears—

Mr. Han Dong: Well, it is the infrastructure of Ontario.

Hon. Brad Duguid: It's part of our real estate holdings.

Mr. Randy Hillier: What was your question about?

Mr. Han Dong: It's part of Infrastructure Ontario, is it not—and the crown's jurisdiction?

Mr. Michael Harris: Didn't he just ask this very question of us and its relevance to this committee?

Mr. Han Dong: It was about the specifics.

The Chair (Ms. Cindy Forster): Can we see what the minister has to say? We think it perhaps may be under part of his ministry.

Hon. Brad Duguid: Well, it is, in fact, directly: Infrastructure, through our real estate division, is responsible for the lands, ultimately, and we own the lands. It's a question of, do we transfer the lands to the federal government or not transfer the lands? So I am the minister of the government responsible for that particular issue, and I'm happy to respond to it.

The Rouge Valley has been something that not just people in the east end of the city but I think people across the province really value. It's unique. It's one of the largest urban parks anywhere in the world, and it's still naturalized.

We've put in place a number of policies through the growth plan, through the greenbelt, through the work that's been done by, frankly, governments of all stripes at Queen's Park to put in protections to protect this land and preserve it for future generations.

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The federal government came forward with a proposal some time ago to create a national park here. It's something that the province is open to doing and is supportive of. It's something that local environmental stakeholders were supportive of, as well as local farmers in the area. The challenge that we've had is that the legislation that they brought forward to action the park was very weak when it came to the protections that needed to be in place

for this land. Our role would be to transfer these lands to the federal government. As minister, I can't, in good conscience, do that until I know for sure that these lands will be protected, at least as much as, if not more than, they currently are under our current protections. Right now, the legislation doesn't provide that protection. We and environmental groups that are involved want reference in the legislation to environmental integrity, because that's key.

Our officials are working with the federal officials to try to find language that works for both of us. We're not trying to be obstinate here. We're not trying to stick a spoke in the wheels of what was a good idea. But we're not willing to transfer these lands until we're absolutely sure that they'll be protected for future generations. I think that's our responsibility as a government, to make sure that that's the case.

There is no real opportunity here to recover if we fail. There have been designs on these lands going back many, many years, to the Peterson days, for potential different uses for these lands. So there are other potential agendas at play here that we have to be cognizant of. We're not willing to just trust this or any other federal government *carte blanche* to say, "Here you go. Here's the lands. Do what you want with them." We need to see those provisions in the legislation.

The legislation has, I believe, gone through second reading. It's going to committee very soon. There have been public hearings held on this, which we've paid close attention to. The bulk of the input we've received from the public on this would indicate it's very much in sync with our position. I'm pleased to have been able, after all those years of being a kid from Scarborough who has been involved in that park for many, many years, to actually be in a position where I'm able to ensure its protection. I'd say that it's in good hands at the provincial level; it has been. All parties and all governments have been protective of this land through their time in office, and they've all contributed in some way to it.

A national park concept would provide potential for some additional resources to enhance the environmental integrity of the lands, but it's only tenable if the legislation is strong enough to provide us and our environmental stakeholders, who have worked tirelessly, many of them their entire lives, to preserve this land—if we're comfortable that the provisions put in place in the legislation would protect the land for future generations.

It's a good question. We've dealt with that publicly, very publicly, over the course of the last number of weeks. We're hoping the federal government will respond favourably. But if not, we will not transfer those lands unless we have the assurances we need.

Mr. Han Dong: I just want to thank you very much for that answer. I just want to comment quickly that I support what the government is doing. There are some individuals who have been working for the last 30 years to return the Rouge park to its natural state. We'll really be doing a disservice to them if we miss the opportunity

to hold the federal government accountable. Yes, I totally support what the government is doing.

Hon. Brad Duguid: I think of people like Jim Robb, I think of people like Glenn De Baeremaeker, I think of people like Gloria Reszler and others—many, many thousands of others—that have worked so hard to ensure these lands were saved.

I was here during the Peterson years as an assistant, so I remember—it sounds like it's easy now, and it sounds like a done deal, but it wasn't back then. There were a lot of plans to develop that land: some plans for development and housing, some plans for different types of highways and things like that through the Rouge. It wasn't a fait accompli at the time. It had to go through quite a decision-making process at the Rouge—

Mr. Randy Hillier: Chair, point of order: At this stage, we're supposed to be scrutinizing the expenditures in the estimates, and I haven't heard any question or answer about any expenditures whatsoever.

Interjection.

Mr. Randy Hillier: Yes, we do have statements and—

Mr. Han Dong: My question is done, so—

The Chair (Ms. Cindy Forster): Excuse me. Actually, it's their 20 minutes, so they have the right to make statements or ask questions during their 20-minute period.

Interjection.

The Chair (Ms. Cindy Forster): Thank you. Mr. Milczyn had a question.

Mr. Peter Z. Milczyn: Good morning, Mr. Minister. It's my first opportunity to ask you any questions.

You are a former city councillor. I am a former city councillor. Some other former city councillors—it's now clear to me that city councillors are simply future MPPs in a hurry.

I've heard some questions from my colleagues this morning about the 10-year list and some questions about the cash flow within the list—why are there peaks and valleys?—and that they're having trouble following that.

I'd actually like to put it in the perspective of Bill 6, the jobs and prosperity act, and the tools that will be in place in that, which will actually assist you and the government and members of the Legislature and the public to understand how the priorities are set, how the money will flow, how it will help us determine those instances when the resiliency around environmental impact will become one of the drivers to perhaps advance projects as opposed to some other projects being driven. Could you just fill us in on the impact of Bill 6, on how that will affect your spending plans?

Hon. Brad Duguid: I think the key is that it commits this and future governments to long-term planning when it comes to infrastructure. We're doing it on our own anyway right now, so it's not revolutionary in terms of changing too much about the way we're doing planning, but it commits us and holds our feet to the fire to continue to do that during our time in office, and any subsequent governments as well.

I think it's important because in the past—and we've all seen it—there hasn't always been consistency in terms

of priorities in infrastructure. That impacts a number of different stakeholders. It impacts our municipalities and them trying to manage what their priorities are and them trying to ensure that everything from their good state of repair is being done to their recreation facilities to the more core infrastructure that we tend to be investing more in today, and that's roads, bridges, transit and water/waste water.

This legislation commits us and future governments to having that process in place and having it reviewed on a continual basis as priorities change. It also commits us to ensuring that we have high-quality infrastructure and that it's designed to support job creation, provide training opportunities for young people.

I think one of the parts of the legislation—we still have some work to do on the regulatory piece—is encouraging apprenticeships. That's so important. We're investing billions of dollars in infrastructure. We want to make sure that we're maximizing the public good that comes from that. It's a great opportunity for us to be giving apprentices work, so we are looking at provisions that would ensure that our projects are providing opportunities for more participation by apprentices, thereby building a stronger skill set in our province, again improving our economic prospects and our competitiveness, because our number-one competitive advantage, as we all know, is the quality of our workforce.

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The quality of our education system contributes to that, yes, but the quality of our skilled workers is really important as well. There is talk about and discussion about skills shortages in some of the skilled trades, so we want to make sure, with our infrastructure investments, that we're providing opportunities for some of our young people.

I look at the bill this way. Sometimes it's odd to hear a minister say that, because usually we like to talk about all the stuff we're doing as being new, revolutionary and all that kind of stuff. This bill has been before the Legislature before. It's not something that I think changes the world, but I consider it a good step forward in terms of more responsible, thoughtful infrastructure planning that ensures that we're doing it in the best possible, most impactful way, getting the best quality out of our infrastructure as we move forward.

Mr. Peter Z. Milczyn: So if I understand your answer, then, and how it relates to some of the questions around what the 10-year list is—Bill 6, if it's adopted by the Legislature, will assist us in leveraging that spending, to maximize its value, to work with other programs, and then that will help define what that 10-year list looks like—not in the first couple of years, because those are approved projects already, but in years 5, 6, 7, 8, 9 and 10, it will assist us in understanding what that list will look like and what that spend will be, by setting those priorities in legislation.

Hon. Brad Duguid: You hit the nail on the head toward the end there: It is about setting priorities. Yes, in the early years of the 10 years, specific projects are in place and were committed to. You're aware of the pro-

jects that are in our budgets, that we've announced in our budgets. Some of them are short-term; many of them are long-term projects.

We have plans. We have our transportation plan, our transit plan, our \$29-billion transportation plan, with \$15 billion in the greater Toronto and Hamilton area, and the rest being outside of that area, mostly in roads and bridges.

It's important that we plan ahead for those types of projects, and that we're aware, both from a budgeting perspective of how we're going to fund them, which I think is always the key question—I've said before that it's really easy to draw a line on a map and say, "This is where we're going to put a transit line, here." We see politicians doing that all the time: "We'll build 500 kilometres of subway." It's easy to draw a line on a map to say that. What is challenging is being able to put a plan in place to be able to deliver it. That's important, and that's what we're committed to doing.

Our 10-year capital plan gives us the ability, in a very transparent way, to show Ontarians: "This is where we're going with our capital projects. These are our priorities as a government."

There are opportunities to review that plan from time to time, which is really important, and update it, because priorities sometimes do have to be updated, but it gives us that ability, I think, to just engage in better planning. It's good for us. It's good for municipalities, in particular, because we don't build transit on our own. When it comes to GO, we're a little more independent, but—

The Chair (Ms. Cindy Forster): Two minutes, Minister.

Hon. Brad Duguid: We build transit in partnership, often, with municipalities and the federal government. It helps them to see where we're going, so that they can organize their budgets around our projects as well.

It also helps the private sector in gearing for when the actual project budgets are going to be. There's not an unlimited amount of capacity in the private sector to actually deliver these projects, build them and construct them for us. I think, all around, it's just good, sound planning that's going to build a stronger province, a stronger economy and ensure that our feet are held to the fire, and future governments' feet are held to the fire, when it comes to sensible planning when it comes to doing infrastructure.

The Chair (Ms. Cindy Forster): Mr. Ballard, you've got about one minute for your question.

Mr. Chris Ballard: I'll make a quick statement. I've heard from members opposite about projects that are so important to their neck of the woods. I know there has been an awful lot of discussion, and I've heard some good discussion today, about the need for transit. In my neck of the woods, Newmarket and Aurora, it was the number one issue in the election: to improve north- and southbound transit. It has been an issue for over 30 years, trying to get to work in Toronto. It still continues to be an issue today, although we've seen incredible increases. It was so nice to hear that GO has purchased its 500th bus. We've had new infrastructure in terms of Highway 404

opened just to the north of us, which takes 22,000 cars a day off local roads. There are some really important things happening.

I just wanted to make the pitch—because we don't have time to get a lengthy answer from you—for investment in that infrastructure that will allow all-day, two-way, electrified GO train service on the Barrie line.

The Chair (Ms. Cindy Forster): Thank you.

Official opposition: 20 minutes. Mr. Arnott.

Mr. Ted Arnott: Thank you very much, Chair.

Minister, I'm pleased to have this opportunity today to ask you a few questions about matters that fall under your responsibility as Minister of Infrastructure. I'd first like to request a copy of the notes that you used while you made your opening presentation and your subsequent presentation. It sometimes takes Hansard a couple of days—committee Hansard, anyway—to be finished up. So we'd appreciate that.

I'd also appreciate receiving a copy of the 10-year capital plan that you said was publicly available—you've used the word "transparency"—last year's plan, with a list of projects that the government has on its 10-year capital plan. I would certainly appreciate that, by the end of the day if possible, so that we can look at it overnight and continue this discussion tomorrow.

As we know, an important part of the accountability of the government to the Legislature is through this very committee: the estimates committee and the public accounts committee. The whole point of it is to scrutinize the expenses of the government and to determine whether or not the government is acting in the public interest. Your presence here allows us to ask those questions. I thank you for coming in.

One of the most important issues that I think the government has to answer for these days is the MaRS bailout. I guess it was on September 23 that you announced that the government would be paying \$309 million to bail out this failed real estate enterprise. We're talking about the second-phase office tower of MaRS. From our perspective in opposition, we see parallels between this and what happened at eHealth, the cancelled gas plants in Mississauga and Oakville, and the Ornge air ambulance fiasco. We wonder: Has the government learned a single thing? Hundreds of millions of dollars of taxpayers' money are being thrown around, with very little accountability, very little scrutiny.

We have a number of questions about that. First of all, when did the discussions with MaRS commence in terms of the bailout? When exactly did your ministry begin those discussions?

Hon. Brad Duguid: First off, use of the term "bailout" is a pretty loose term that probably doesn't accurately reflect what has transpired here. We're talking about a transaction that took place recently, where we've made an offer to buy out ARE for, I believe, \$65 million. That is being done in order to, frankly, allow the government to consider a series of alternatives with regard to the future of phase 2 of MaRS.

I will probably say this a number of times as we discuss MaRS over the coming weeks, but Ernst & Young has done an evaluation of the transactions, and the fact of the matter is, the value of the asset is equal to or more than any investment the government has made, so the good news there for the taxpayer is that the taxpayer is protected as we go through these transactions.

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So there have been challenges in phase 2 of MaRS. They've been well known. A good part of that challenge has been the restriction to MaRS to be able to lease out a good part of that office space at market value because of the presence of ARE in the equation. By removing ARE from the equation—something we did with full thought, consulting a private sector panel that I had set up that included two very esteemed individuals who have experience in real estate and these kind of matters, as well as knowledge of the innovation sector—that enables us now to make the next decision, which is, what do we do with this particular real estate asset?

We have leverage from the loan—and it is a loan; it's not a grant—that we've provided to MaRS. We have a guarantee on the property, and the \$65 million that we've invested through ARE, and there's another additional expenditure that was an initial capital expenditure, the amount of which I can share with you—I likely have it in my notes—as well as a guarantee that MRI, the Ministry of Innovation, has to keep up in terms of interest payments on that loan.

So we've been very clear and transparent, and will continue to be, about any costs that we incur with regard to this transaction. To date, though, I can assure you that the investments that have been made are equal to, if not greater than, the value of the property, and that's before the property is leased up. So that's at the property's lowest potential resale value.

I'm happy to respond to further questions on that with you.

Mr. Ted Arnott: Well, you didn't respond to the first question, which was, when did the discussions commence between MaRS and the government on the bailout? Was it before the provincial election of June 12?

Hon. Brad Duguid: Yes; that's a matter of public record. The government was considering, before the election, how to address the challenges, and a decision had not been made prior to the election. A decision has not been made yet in terms of what we're going to do with phase 2. The only decision that has been made was recently to buy out ARE to open the door for us to be able to have access to a series of other potential options with regard to the property and the project. In the coming days, when we get to that decision, we'll certainly be talking publicly about what the alternatives are and why, ultimately, we choose the right alternative.

I, though, as a minister, felt it really important to get some good expertise to the table that doesn't have a stake in the game, that is not necessarily a ministry or a government or a private sector interest in this particular project. That's why I've asked Michael Nobrega and

Carol Stephenson to sit on a panel and look in-depth at this from a real estate/taxpayer perspective, to look in-depth at this from an innovation/bioscience opportunity that MaRS was set up in the first place to advance, and to determine what, in their view, is in the public interest. I can tell you, I've told them I want unfettered advice on this. I want them to take a look and give me their best possible advice. Then we'll proceed from there.

Mr. Ted Arnott: I guess, Chair, we've established that the discussions with MaRS commenced before the election. There was no public acknowledgement of that before the election. After the election was over, we learned the details of the agreement.

I have the provincial budget that was presented to the Legislature on May 1. Then it was regurgitated, of course, in the House on July 14. I don't see any reference to a MaRS bailout in the budget. Can you help me find it?

Hon. Brad Duguid: We'd need finance officials to determine if there would have been any reference to it. But I would expect, and I stand to be corrected, that at the time of the budget, any mention of MaRS would be highly speculative at that time. Any transaction to buy out ARE certainly would have been highly speculative at the time the budget came out.

I would have to get finance officials to determine if there is any reference in the budget to it. I'm not aware of one.

Mr. Ted Arnott: So if it wasn't in the budget, then do we safely assume that the additional bailout money is added to the deficit and that the deficit will be higher?

Hon. Brad Duguid: You've got remember, this is a conditional agreement. The agreement is not even closed yet. This transaction hasn't taken place. It's still subject to expert panel advice.

I expect this deal will close, in all likelihood. It's a transaction that unlocks possibilities for this asset to be maximized in terms of public interest, in terms of fiscal responsibility. Without doing this transaction with ARE, the project going forward was pretty handcuffed and would have been a drain, on a continual basis, on the ministry of innovation's budget, because there's an amount every month that they will need to pay to deal with the interest on the loan to MaRS, as was part of the original agreement.

We do want to move on and get to a decision on this. We'll be thoughtful about it; we'll be transparent. But we want to make sure that we unlock those opportunities. It's important that we're getting highest and best value out of the investments we've made as well.

Mr. Ted Arnott: The people of Wellington-Halton Hills would expect that if it wasn't in the budget and the government has approved some sort of a deal, spending additional hundreds of millions of dollars, somehow that would be accounted for properly and in a transparent manner. I think most people would agree with that sentiment as well, and we expect that of you.

Hon. Brad Duguid: Yes. I said, when I made the announcement on ARE, that my commitment is to be as absolutely transparent as we can. But this is one of those

situations that came up in the heat of an election campaign and probably got a lot more attention because of that than it otherwise would have, I expect.

I haven't seen anything yet to suggest that the value of this investment is less than the amount the government has put forward into it. In fact, we have Ernst & Young's report that says that the asset we are now potentially acquiring is worth more than we've invested in it. At the end of the day, that's key, to me, from a business investment perspective.

What's also key is making sure that we don't look at it strictly from a business investment perspective, as much as that's important. It's also important that we look at it as growing a strong life sciences cluster through MaRS.

The original vision for MaRS actually was a vision I would like our government to be able to take full credit for, but we can't, because it was the previous government and Minister Flaherty and others who launched the initial vision for MaRS. We can take credit in terms of building out that vision. It has been very, very successful. It has attracted billions of private sector dollars. It has helped make Ontario one of the top three bioscience clusters in North America. It is seen internationally as a centrepiece of our international sector. MaRS has a very significant importance to our bioscience cluster and our innovation economy, and it's important that that's not lost as we deal with what is—phase 1 has been successful. Phase 2 has had challenges, and it's important we deal responsibly and transparently with those challenges.

I would endeavour to say I don't intend to be on the defence on this; I intend to be very transparent, upfront. There have been challenges. We're going to address those challenges as best we can and ensure we move forward in a very responsible way.

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Mr. Ted Arnott: You're absolutely correct that the original concept of MaRS was an initiative of the former government, the Progressive Conservative government, but certainly phase 2 is your responsibility as a government, and I think that you've acknowledged that.

We're focusing, really, on the phase 2 issue here. You say that it has been a success, but we understand that only 31% of the offices are occupied, so that means 69% are vacant. We know that the rents have been prohibitively high, and that's one of the reasons why those offices haven't been filled. But at the same time, you call this a success. If it's a success, why is there a need for a government bailout?

Hon. Brad Duguid: Well, first off, I was very clear. What I said was that MaRS has been a success to date, and phase 1 has been a success. It has attracted a lot of private sector dollars. It has helped a lot of young entrepreneurs get started with start-up companies. Its Entrepreneurship 101 program has been very successful and it continues to be the hub of our innovation economy, along with a lot of other initiatives going on across the province. So, to be clear, that's what I said.

Phase 2 has had challenges. That doesn't mean the concept behind phase 2, which originated under the previous PC government—we will certainly take the credit

of embracing that and in fact actioning it—that same concept was embraced in phase 2.

The challenge with phase 2 was that we got hit by a global recession that wasn't anticipated prior to phase 2 moving forward. That was the problem that ARE, the private sector partner, was engaged in. That's what changed their business dynamic for the project and created the bottleneck that we had, that was making it impossible for MaRS to be able to lease up the rest of that unit.

I think it's really important to talk about this as well, because I know that you're a believer in building strong business clusters. The bioscience cluster is a very important business cluster to our economy. We are in the top three in North America. But it's a long-term play; it's not a short-term play. Investment in bioscience takes a very long time to play out, and that's why MaRS was set up in the first place. We have one of the most tightly geographically placed bioscience clusters anywhere in North America, which is one of the reasons why MaRS was set up in the first place. It was not set up to deliver bioscience success in the next two or three years. It was set up for a 10- or 20- or 30-year play overall in our economy.

It's really important, as we look at this decision, that we, as a government, don't get caught up sometimes in the short-term politics of this and that we continue to take a look at the longer-term economic impacts as well. That's the balance, as a minister, that I'm going to have to take into consideration as I make recommendations to our cabinet and my colleagues in government. It's ensuring that we're being responsible from a taxpayer investment perspective, but not throwing out the importance of growing a strong bioscience cluster in Ontario, which was the original and, I would suggest, rightful mandate for MaRS.

That's the balance, going forward, that we'll need to make and address and, frankly, that I think we will ultimately have to be judged on.

Mr. Ted Arnott: Did you recommend the bailout deal to cabinet, or is it something that originated in the Premier's office?

Hon. Brad Duguid: Let me just give that some thought in terms of how best to respond. The advice that I received as minister came through Infrastructure Ontario, whose advice was strongly that in order to release or open up the opportunities for the province to have other options here and protect the taxpayer investments—the only alternative to do that, in their opinion, was to buy out ARE. I said, "Thanks for the advice. I also want to hear from some private sector expertise on this." That's when we set up the private sector panel, with Michael Nobrega and Carol Stephenson, to receive their advice. They took a look at the options. To be frank, they didn't have to look too long to determine that the right recommendation was to buy out ARE, to move forward with this.

I'm just going to check with staff to verify whether this even went to cabinet or not. I want to verify that for you, just to be able to give you that advice. I want to be accurate in my response.

The Chair (Ms. Cindy Forster): Mr. Arnott, you have one minute left in your time.

Hon. Brad Duguid: The key with this is it's still a conditional agreement. Often, you will go to Treasury Board—I'm speaking in generalities here—and you'll receive a mandate to negotiate. There are times that those mandates are within your responsibilities as a minister as well.

Rather than give you an answer that may not be fully accurate, I want to make sure that I'm very clear to you on that. If I can't get an answer for you now, I will make sure I get an answer.

Mr. Giles Gherson: We had authority in the spring from Treasury Board to acquire that interest. It wasn't exercised and hasn't—it's still now a conditional decision to exercise that authority, but that decision was made more recently, in late September. So there was no need to go back to cabinet.

Mr. Ted Arnott: Is it true that the government was advised that it could have foreclosed on the original loan and acquired the property without any further bailout?

Hon. Brad Duguid: I don't know if that full explanation is 100% accurate.

Mr. Ted Arnott: It's a published report.

Hon. Brad Duguid: We may have had that ability. I would have to get verification from staff to determine if that, in fact, was given as advice. I wouldn't be able to definitively give you an answer on that right now.

The Chair (Ms. Cindy Forster): Mr. Hatfield, you have about 13 minutes, and then we'll be adjourning for today.

Mr. Percy Hatfield: Just a quick follow-up on the MaRS file: The intent of the Realty Transformation Strategy was to reduce the office footprint by one million square feet in Toronto. By acquiring MaRS, what does that do to your initial strategy? Does that impact in any way your getting rid of a million square feet?

Hon. Brad Duguid: If it's space that was to be used for public servants—that's what we're talking about—then it would be. There was speculation about that, as you may have heard, about using it potentially as swing space. No decisions have been made on that at this point in time. We're going to let the expert panel look at what the options are, but I wouldn't suggest there's a lot of momentum behind that at this point. We'll let the private sector panel take a look at what their recommendations are before we make any decisions as a government.

Mr. Percy Hatfield: I just want to get back to the AFP for a while. We in the NDP are asserting the following: that the government is consistently overpaying for shifting the risk to private consortia. Do you have any internal studies that suggest this?

Hon. Brad Duguid: I can refer to staff to see what kind of internal studies they may have. But I can use one example where the public would have been subjected to very significant amounts of money on the Bruce refurb had we done that in the traditional procurement manner. Those alone are amounts that would probably offset any additional costs or risks for most of the other infrastruc-

ture projects, because that would have been a significant hit to the public.

I can ask staff if they do have any studies on this particular issue. I'm not aware that they do.

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Mr. Giles Gherson: I don't believe we do. Again, I think one of the important facets of AFP projects is that because the build and the operation of the subsequent project is done by the proponent over sort of a 30-year life cycle, it's hard to actually know until that 30 years has elapsed whether, in fact, the project was as cost-effective as the analysis at the beginning suggested it would be. There's an effort made, and it's a very diligent effort and uses pretty sophisticated analytics, to understand what the cost will be over the term of the ownership of the building, but you don't really know that until that time has elapsed.

You've got monthly payments that are made by the government to the operator through the course of the project. If there are deficiencies, if there are failures, then those payments won't be made by the government to the proponent. We've had some instances where that has been the case, where an elevator didn't work or what have you, and it was considered to be enough of a failure that the payment wasn't made. So that's in the interests of taxpayers to the degree that unless the project performs as it's required to perform, the payments aren't made over the course of a long period of time.

Mr. Percy Hatfield: Okay. You suggested you don't believe there are any studies. I'm suggesting there are some studies. Can you get together with your staff tonight and either put on the record tomorrow definitively that there are no studies that suggest this or else release the studies that you do have?

Mr. Giles Gherson: We'll certainly take a look.

Mr. Percy Hatfield: Thank you. If there are studies, will you release them all tomorrow at 9 o'clock, on the issue of overpaying the risk premium?

Mr. Giles Gherson: I'll certainly take a look and see what there is.

Mr. Percy Hatfield: I'd like to also ask a question about shifting down the risk. Do you have any evidence from any of the studies at the ministry's disposal that the senior partners in the private consortia are pushing down the risk to the subcontractors? Do any of your studies show this, and will you table them tomorrow at 9 o'clock? I mean, you've obviously heard from the industry that the subcontractors are being grinded; they're having to share all the risk and all the burden from the major guys. You've heard this. I've heard it repeatedly from stakeholders.

Mr. Giles Gherson: That may be what stakeholders are saying to you, but I'm not aware of any studies, and neither are my staff, that would confirm what you've just said. We will look this evening and go and see what we've got, but that's not something that we know, that's in a study. There may be concerns to that effect that you've heard from the subtrades.

Mr. Percy Hatfield: Have you heard this?

Mr. Giles Gherson: I personally have not heard this.

Mr. Percy Hatfield: Minister?

Hon. Brad Duguid: No, I have not heard.

Mr. Percy Hatfield: All right. Well, I've certainly heard, and I'm sure others have as well, that the subs are the ones that are being squeezed on it if there's a cost overrun. So perhaps the industry stakeholders will have to make a concerted effort to get that information to you.

Hon. Brad Duguid: Well, we haven't had a lot of cost overruns, thankfully, to really gauge that by. One out of the 30 projects that have been completed—is it one or two?

Interjection.

Hon. Brad Duguid: One is a cost overrun, and two delays, so it's probably premature for us to draw conclusions after one cost overrun.

Mr. Percy Hatfield: Are you sure that the public sector financing comparator that presumably reflects the history of cost overruns is accurate? Because if it's not accurate, you'll be overpaying on the risk premium.

Hon. Brad Duguid: I'm sorry. Could you repeat that? I didn't catch the beginning part of your question there.

Mr. Percy Hatfield: Are you sure that the public sector financing comparator that presumably reflects the history of cost overruns is accurate? If it's not accurate, we will be overpaying on the risk premium.

Hon. Brad Duguid: What I can tell you is it is challenging—and I'll let staff who have more technical expertise than I do in these matters respond in a more fulsome way—to do direct comparisons between the two. They're very different. They're over different periods of time. There are challenges in terms of assessing what the—in particular, the upfront costs are less expensive if you're going over a shorter period of time doing the traditional. But when you take into consideration the cost overruns, the costs of delays and the quality of the projects, it's sometimes difficult to compare directly.

We'll endeavour to get a more technical answer for you.

Mr. Giles Gheron: There's another factor that I think we need to remember, which is that these are highly competitive projects. It's the competition between different bidders that drives the cost down, that drives the risk premium down, too. So it's hard to know in advance, when you're comparing a highly competitive process with the history of government-procured projects, how to compare those.

Mr. Percy Hatfield: I think there are 1.8 million people in Ontario with disabilities. There's criticism today that the government has been ignoring many, if not most, of the government promises on disability accessibility. In the estimates, what's in there to ensure that the government promises on disability accessibility are met by the deadline of 2025?

The Chair (Ms. Cindy Forster): Minister, you have two minutes, and then we're going to run out of time for this session.

Hon. Brad Duguid: I really appreciate that final question. In the two minutes that I have—I think the member will probably share with me the view that that ought to be an economic priority for us as well as a social priority. We are an international leader in this area. Our legislation makes us the first jurisdiction to actually put in place milestones to become fully accessible by 2025.

I'm in the process now of working with local stakeholders—including our former Lieutenant Governor, David Onley, whom I see as a huge asset for the province in this area—to look at ways that we can get more people with disabilities into employment, into our workforce, because they're an incredibly skilled group of individuals who have had challenges getting into employment, and taking a real look at how much progress we are making. We've made some significant progress. Let's take a real look at how much progress we are making to being fully accessible by 2025 and determine if there are things we need to do. Do we need to get back on track? Are we on track? Are we ahead of schedule? Those are the things that I look forward, as minister now responsible for something new to me, in terms of responsibility—but something that I see as having a very significant economic opportunity.

If we're a leader in this area—up to \$7 billion, I believe, is the figure of potential GDP impact of being fully accessible. It's a competitive advantage for us. We're out ahead of everyone else.

I think my goal now is to look for ways within the realm of our fiscal challenges—

The Chair (Ms. Cindy Forster): Minister, I'm sorry, but I have to—

Hon. Brad Duguid: I get excited when I talk about this issue, so maybe we'll have more time tomorrow to talk about it.

The Chair (Ms. Cindy Forster): Thank you.

Mr. Randy Hillier: Chair, on a point of order—

The Chair (Ms. Cindy Forster): Mr. Hillier?

Mr. Randy Hillier: Chair, there have been a number of undertakings and agreements today that I just wanted to clarify. I know my colleague from Wellington-Halton Hills asked for the minister's notes from him today, and he agreed that he would provide them. Earlier in the day, the minister agreed to provide the 10-year plan and list of projects within that 10-year plan, a list of the changed programs and responsibilities of infrastructure that have gone to—there were a number of these. Let me just—oh, and that list of 80 AFP projects and their status. I just wanted to clarify that and ensure that we will get those, hopefully today. I don't know. There was no time frame indicated, I don't believe. But if they could be available today, that would be most appreciated.

Hon. Brad Duguid: I think my officials will do their very best to accommodate.

The Chair (Ms. Cindy Forster): We are adjourned until tomorrow morning.

The committee adjourned at 1230.

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Ministry of Infrastructure

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Ministère de l'Infrastructure



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Wednesday 8 October 2014

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mercredi 8 octobre 2014

The committee met at 0903 in room 151.

MINISTRY OF INFRASTRUCTURE

The Chair (Ms. Cindy Forster): Good morning, members. We're here this morning to resume consideration of the estimates of the Ministry of Infrastructure. There are a total of six hours and 35 minutes remaining, but before we resume this consideration of the estimates of the Ministry of Infrastructure, if there are any inquiries from yesterday that the ministry or the minister have responses to, perhaps that information can be distributed by the Clerk at the beginning, in order to assist the members with any further questions.

Are there any items, Minister?

Hon. Brad Duguid: No. I don't believe so.

The Chair (Ms. Cindy Forster): Okay, so when the committee was—

Mr. Ted Arnott: Point of order, Chair?

The Chair (Ms. Cindy Forster): Yes, Mr. Arnott.

Mr. Ted Arnott: Yesterday, I made a request that the committee receive a copy of the 10-year infrastructure plan that the government says has been made public. In fact, the minister yesterday, I think, said that it was a public document. We would like to see the list of the projects that the government has approved and that the government is studying, at least. We made that request yesterday. We were hoping to get it today. We would again make the same request.

The Chair (Ms. Cindy Forster): To the minister.

Hon. Brad Duguid: It's on the website. It's a public document. It's a published, public document. You've got research staff. I'm sure they can dig it up for you right now.

Mr. Ted Arnott: On the ministry website?

Hon. Brad Duguid: Yes.

Mr. Ted Arnott: Okay.

Mr. Giles Gherson: The IO website.

Hon. Brad Duguid: The IO website.

Mr. Ted Arnott: Thank you.

Hon. Brad Duguid: I believe most of what you would have looked for yesterday, you'll find on the websites, and fairly readily, but if you have questions, we can give you the websites to go to.

Mr. Ted Arnott: I can find it. Thank you.

Interjection.

The Chair (Ms. Cindy Forster): The research staff will actually get that information for us at the end of today.

When the committee was adjourned yesterday, the third party had the floor. You have 13 minutes remaining in your rotation this morning.

Mr. Percy Hatfield: Thank you. We had also asked for some documents to be tabled today, some reports, some internal studies. I don't have a complete list in front of me, but I take it there's nothing forthcoming?

Mr. Giles Gherson: The study that Infrastructure Ontario did on risk transfer is on their website, so it's a public document.

Mr. Percy Hatfield: Okay.

Mr. Giles Gherson: There was a study that was alluded to that is in the course of being prepared, as I think my colleague mentioned yesterday, which is still in rough draft form. I think it was mentioned that it would probably be several months before it would be finalized.

Mr. Percy Hatfield: Well, thank you. I'll have to go back to the Hansard from yesterday and see what else was requested and then, at our next meeting, bring that up.

Thank you, Madam Chair, and good morning. Good morning, Minister, Deputy.

I want to get back, if I could, to the AFP projects we talked about yesterday for a while. I'm sure you've read the study of the 28 Ontario AFP projects worth more than \$7 billion by University of Toronto professor Matti Siemiatycki and researcher Nacem Farooqi. I apologize if I've mispronounced those names. They found that public-private partnerships cost an average of 16% more than conventional tendered contracts. What is your interpretation of Professor Siemiatycki's work?

Hon. Brad Duguid: One of the reasons why not all projects are done by AFP is that some projects are more geared to an AFP process and others aren't. Infrastructure Ontario does a very thorough analysis before they determine which route to go as to, in particular, things like potential for cost overruns, value of the project and exposure for taxpayers.

The other important point to make is that all of these projects are done through an RFP process, so the actual cost of the risk transfer, the actual cost of the project, really depends on the competitive process that moves forward. So I'm sure analysis can be done one way or another.

At the end of the day, I look at our experience to date. I look at, for instance, the Bruce project that was over time and over budget by a significant amount and how exposure to taxpayer impact was so reduced because of that. I'd have to go back and look to see how many tens of millions of dollars were saved for taxpayers in that particular project, but it was significant.

So recognize that there will from time to time be studies done, but I want to be clear with the committee: I and my government, and I think other jurisdictions that are studying and learning and modelling our forms of procurement around the world, will tell you that this more modern way to do procurement that takes risk away from the taxpayer where appropriate is the superior way to go. I remain committed to that approach where appropriate. I'm actually quite pleased, when I've seen the roll-out of these projects, how many of them have been on time and on budget: 28 out of 30—and I always get this mixed up—on time, and 29 out of 30 on or under budget, of the first 30 projects to go through. That's a pretty darn good track record that rivals, I would expect, any jurisdiction anywhere in the world. I recognize that there'll be those who may take a different philosophical position on these. I recognize there may be some studies done here and there. But at the end of the day, I just think it's a more sensible, reasonable way to do procurement in Ontario.

0910

Mr. Percy Hatfield: I know there are various ways of looking at it, but one of the professor's conclusions is that the higher cost mainly reflects the fact that private borrowers typically pay higher interest rates than governments. He finds that transaction costs for lawyers and consultants, for example, also add about 3% to the final AFP bill. Would you agree with that?

Hon. Brad Duguid: I wouldn't agree or disagree with it. I wouldn't be in a position to be able to comment on that analysis at this point in time, other than to say that I recognize that there is a cost to the risk transfer; there's no question. What that is will depend on the individual project and the competitive price that you attain for that project.

I believe that transferring the risk to the private sector does two things. It produces an in-depth, in-project incentive for the private sector to deliver the project on time, on or under budget, which is important. It also transfers that risk from the taxpayer, and where appropriate—as I said, we don't do this for all of our projects; we do it where appropriate—I think that is a much better business model for the province to move forward on. Is there some cost to that? Yes, there is. But there are significant savings, I would expect, from cost overruns, which we've experienced and taxpayers have benefited from already, and savings in terms of delivering projects on time, on budget, at a rate and a record that is at this point in time, to the best of my knowledge, probably second to none right now in North America, in terms of jurisdictions.

Mr. Percy Hatfield: Minister, let me take you back to yesterday. We talked about the risk premium. Professor Siemiatycki found that the average risk premium of the projects that he studied was 49%, although he does conclude that no empirical evidence is provided to substantiate the risk allocations, making it difficult to assess their accuracy and validity. How would you respond to that conclusion?

Hon. Brad Duguid: As we indicated yesterday, we have put in place one of the best, most effective, modernized procurement processes for infrastructure anywhere in North America, maybe anywhere in the world, today. We are a model for others. We're proud of that, but we're not resting on our laurels.

Infrastructure Ontario is always looking at ways to find improvements to that process. The fact of the matter is, no matter what process you have in place, there's no perfect process, and we recognize that. As much as we're proud of what has been accomplished so far through the AFP process, as much as it has benefited taxpayers—to a very large measure, in some cases—we do look for ways to continue to improve that process. We're happy to take reports that may be critical from time to time or may have other suggestions under consideration. I look to my folks at Infrastructure Ontario, whom I have a great deal of confidence in—they're experts in this field—to take a look at that information and determine whether they are in agreement with the analysis, because they may or may not be from time to time, and where appropriate adjust our way of doing procurement in the public interest.

Mr. Percy Hatfield: I know you want to be as transparent as possible; I've heard that repeatedly. But the professor was suggesting that the public sector cost overrun comparator had no real empirical basis, so the AFPs seem to be the cost-effective option in the value-for-money audits only because the traditional financing cost overrun estimate was so high. He couldn't find much evidence for these very high-cost overruns. There was just no evidence being put out there. How do you respond to that?

Hon. Brad Duguid: There's lots of evidence, when you look at the past procurement policies of governments of all stripes over the last number of decades and you look at cost overruns and projects. Let me give you an example. I don't have the numbers of this, but Union Station right now; that's before us now. I believe that's a traditional approach, and that's looking to be a real challenge. I don't want to pretend that I'm an expert on the challenges at Union Station—I read about it in the newspapers—but I would suggest that had they taken our approach to Union Station, that project would be in much better shape today than it is right now.

Mr. Percy Hatfield: The professor goes on to say that if you set the value too high and P3s become vehicles, then governments subsidize inflated profits of powerful and well-connected contractors at financial institutions. What would your response to that be?

Hon. Brad Duguid: I know that the NDP has a less-than-supportive view of the private sector making profits.

What I've come to the conclusion on, and I think many have, is when you look at our record of infrastructure building, when you look at the 23 new hospitals, the 650 new schools, when you look at 7,900 kilometres of highways being built, 950 bridges, when you look at a record \$100-million investment in infrastructure and you look at the 30 projects that have come through on AFP and their record of success, an unprecedented record of success—I think the only conclusion I can come to is that having that private sector involvement in these projects has been helpful and in the public interest.

I don't expect the private sector to partner with government at a loss. I don't think anybody does. I think we'd be naive to think that; they're the private sector. When the private sector makes profit from these projects, that's part and parcel of the partnership. The benefit to the public, though, far outweighs that.

I have no philosophical concern about the private sector making profits. What I want to do is deliver projects on time, on budget, at the best value to taxpayers. That's what this approach does. Is it perfect? Probably not—

The Chair (Ms. Cindy Forster): Minister, you'll need to wrap up. The rotation is over.

Hon. Brad Duguid: —but it is the best procurement process that we're aware of in North America right now. The fact that others are modelling after ours, I think, is a good indication of that. But I appreciate the questions.

The Chair (Ms. Cindy Forster): The government: Ms. Lalonde?

Mrs. Marie-France Lalonde: Oh, me?

Mr. Han Dong: No, it's Peter.

The Chair (Ms. Cindy Forster): Oh, it's Peter? Mr. Milczyn.

Mr. Peter Z. Milczyn: Thank you, Madam Chair.

Minister, in my riding of Etobicoke–Lakeshore, right now the government is investing in upgrades to Mimico GO station. We're on the cusp of starting a new Kipling mobility hub that Metrolinx will be building. There's support for some refurbishment of Islington subway station and, of course, massive investments in GO—and one of the main rail yards for GO is in my riding of Etobicoke–Lakeshore. Humber College, south campus, is seeing investments.

All of those investments in Etobicoke–Lakeshore that I see, other than municipal ones, are being funded by the province of Ontario. I don't see any federal signs on any projects. I know the OECD has said that modern economies should be investing about 5% of their GDP in capital infrastructure, both renewal and new builds—a combination of our 10-year plan of \$130 billion of investment. Where is the federal government in this? Are they matching our level of investment? What is our level of investment as a percentage of GDP, and how are we faring? Are the feds doing their share for Ontario?

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Hon. Brad Duguid: I know when we raised this issue—and the Premier has been a national leader on this—

Mr. Randy Hillier: Point of order, Chair.

The Chair (Ms. Cindy Forster): Mr. Hillier.

Mr. Randy Hillier: We are examining the provincial estimates, not the federal government estimates. I just wanted to make that aware to the government side, that—

Mr. Peter Z. Milczyn: I just wanted a comparison.

The Chair (Ms. Cindy Forster): Thank you for the point of order.

Mr. Milczyn.

Interjection.

Hon. Brad Duguid: Thank you. I know that when we talk about the comparison of the province of Ontario's commitment to infrastructure to the federal commitment to infrastructure, there are times when the official opposition may roll their eyes a little bit. I understand that. This isn't about trying to score political points. Look, we have a four-year mandate. We're not going to the polls for a long time. To us, it's about fighting for Ontarians—

Mr. Bas Balkissoon: For a fair share.

Hon. Brad Duguid: —for fairness, and standing up to ensure that if we're making these significant investments, we need a national government that's committed to doing at least what we're doing, if not more. Most other jurisdictions see their infrastructure investments led by their national governments. In this country, infrastructure investments are now being led by provincial governments. The federal government likes to brag about how close they are to surplus. If they are in that position, then they're in an even better position than we are today to make these important investments.

We recognize how important these investments are to our economy, to growing a strong economy, to ultimately helping us address our deficit challenges, because that's really the best way we can address our deficit challenges. Supporting 110,000 jobs every year through our \$130-billion-over-10-years investment is something that's good for our economy and is going to help us reach our long-term deficit challenges.

But by comparison, I think it's important that people realize it and it's important that we continue to talk about this as a federal election does come forward—for all parties to recognize that there's a need to invest more on the national level in infrastructure. We're investing \$130 billion over 10 years. That's a record amount of investment. We're proud of that commitment, and we're going to deliver that. In Canada, their national commitment, not just to Ontario—their national commitment over that 10-year period is \$70 billion; \$130 billion just in Ontario compared to \$70 billion right across the country. That's woefully, woefully inadequate.

We've been building infrastructure here by and large on our own. There's been some commitment from the federal government. We welcome that, but it's not even close to what it ought to be. I just think if the federal government were to match our commitment to infrastructure, just think of what we could do. Just think of what we could do on public transit. Just think of what we could do when it comes to helping municipalities with their infrastructure deficits and building stronger communities. Think of what we could do on water/waste

water and some of the challenges we have there. Think of what we could do across the north and across the province on roads and bridges.

We're already doing more than any government has ever done when it comes to investing in those projects, but we've been having to make up for a lack of investment over generations that preceded us. So we need the federal government at the table as an aggressive investor in infrastructure. That's good for our national economy from coast to coast to coast. I certainly will be looking, and I think all of us will be looking, to all of our respective parties for commitments on infrastructure going into this next election, because I think it's important. It's important to the quality of life in our communities. It's important to our future economic competitiveness.

Mr. Peter Z. Milczyn: Just as a brief follow-up, I don't want to leave the impression that there is no funding. The York-University-Spadina subway—one third funding is federal. Support for Waterfront Toronto has been there from the federal government, and hopefully there will be more.

Do you have any figures of a percentage of GDP that the feds are spending and how that might compare to other national governments?

Hon. Brad Duguid: Well, yes, but it does fluctuate from year to year. Often it's because there are some significant projects that sometimes come and go. So we've used figures—I've seen figures. Right now the numbers I prefer to use, because they're very accurate, are what we're projecting to spend over the next 10 years. But there are figures—we meet the guideline when it comes to the international recommendation for per cent of GDP. The federal government is a long, long way off. It really depends on what numbers you want to use, as to how far they're off, but any set of numbers you use would show a percentage that's well beyond the international recommended average.

I agree with you, though. We don't want to leave the impression that the federal government is not participating at all in these projects. They have come to the table from time to time on some projects, sometimes not to the level we have; sometimes they do match. One of our municipal infrastructure programs that we announced this fall has some federal partnership in it as well. They are at the table, but they're woefully inadequate as to what they're bringing to the table.

It's important that we continue to get that message out to Ontarians and Canadians. Our Premier, I know, is a national leader on this issue. I know at the Council of the Federation, she has taken the lead and will continue to work with her Premier colleagues, all of whom, I believe without exception, take the same position Ontario does. We may be a little more outspoken than some of the others because this is something that we feel very strongly about.

Mr. Peter Z. Milczyn: Thank you.

The Chair (Ms. Cindy Forster): The government still has the floor. Ms. Lalonde.

Mrs. Marie-France Lalonde: Thank you, Madam Chair—

Hon. Brad Duguid: How much more time do we have?

Mr. Percy Hatfield: All day.

Interjection.

The Chair (Ms. Cindy Forster): Ten minutes.

Mrs. Marie-France Lalonde: Well, as the newly elected MPP for Ottawa-Orléans, this is my first time attending a committee. It gives me great pleasure, actually, to be part of this process.

Hon. Brad Duguid: Me, too.

Mrs. Marie-France Lalonde: Good. I'm glad.

When you look at schools, and the issue for my riding—we have a growing need for new schools. There's always that growth that faces challenges for our school system in my riding. I was very, very content to see the last announcement from Minister Sandals and our government for 10 new projects. One of them, actually, was in my riding. It was a French elementary school that desperately needed to receive funding to build an additional school.

So, Minister and/or any official, please, can you provide the committee with an update of our 10-year plan to improve Ontario's education infrastructure?

Hon. Brad Duguid: I can. I know the opposition were listening carefully to see whether we would dive into your individual concerns or your individual interests, because—and we will—we have to remain consistent here when it comes to the individual projects. We may hear from the opposition on other individual projects. We're happy to get updates and whatnot through the front-line ministries, in this case the Ministry of Education.

But our Ministry of Infrastructure really deals with the overriding policies that go into infrastructure, and the individual ministries are responsible for the individual projects and the prioritization of those projects as we move forward. So I won't be able to comment directly on the projects happening in Orléans. I know you've been a real strong champion of those projects and have been for a long time, and I know you're excited about them because you've talked to me about them in the past, which is great. But today, I don't have that kind of information with me on the individual projects.

Overall, we're providing \$11 billion over the next 10 years for elementary and secondary education infrastructure. That's a very significant investment. That includes \$4.2 billion to help address school repairs, which is important. I hear that in my riding; we all do. We've invested significantly—record amounts—in rebuilding our schools over the last 10 years. They were in pretty bad shape 10 years ago. I think we all know that. We've had a lot of work to do to try to get them back into shape.

In communities like mine—yours is a little newer than mine; not that much, but a little newer than mine. I'm from Scarborough. Most of my schools were built 50 years ago. That's a long time. They're old buildings now, and because you have the 50-year celebrations in the schools, that happened for me—probably in the last five

years almost every one of my schools has had a 50-year celebration. Your schools are a little newer than that, but that is a serious challenge, state-of-good-repair investment, and it continues to be because we have an aging infrastructure in a lot of our schools. We want to make sure that our students have learning facilities that are safe, and they all ought to be and I expect they all are, because we have made significant investments to upgrade them, but we know there are still more challenges there. There are issues in some schools—I know some in my area have algae issues and things like that—and it's really important for us to continue to fund boards of education to tackle those issues.

0930

I think sometimes when our constituents come to our offices they get a little confused about who's in charge of what when it comes to some of these investments. We do make significant overall investments to our boards and provide a great deal of support; in this case, \$4.2 billion to help address school repairs over the next 10 years. That's a significant investment, and it's up to the boards—I'm sure they could use double that—to prioritize where that goes. It does get challenging in all of our offices sometimes to be able to explain to constituents that we're making the investment, it's significant and probably a record level of investment, but where those dollars go in terms of which schools are priorities has to be done through the process that the boards are responsible for. I always like to explain that every chance I get because sometimes I think that constituents think that somehow or another as MPPs we can say, "Well, it's got to be this school and not that school," and that's not really our role. Our role is to try to backstop these investments as best we can.

We're also spending \$750 million over four years in new capital funding to support school consolidations. I've seen that in my own community and others. That makes sense often, too. Instead of having two schools close by each other—two old, aging schools that either need to be gutted or fully repaired—it sometimes makes sense to consolidate into one brand new school that's modernized with new facilities, and that can be exciting in communities as well. It will be challenging, because we all love our schools, especially the schools we all went to; you hate to see—change is hard sometimes in communities, so those can be challenging discussions in our communities. But at the end of the day, the interests of our kids, the interests of our students have to be paramount. So we're seeing a number of those types of issues coming forward, and we've set aside, over the next 10 years, \$750 million to help boards move forward with some of those really sensible consolidation projects.

There's additional funding, as well, of \$500 million over the next 10 years to be allocated for critical maintenance repairs in the post-secondary sector, and that's important too because we want that whole continuum of education. We're considered to have one of the best education systems, if not the best, in the industrialized world. It's something that's our single greatest competitive ad-

vantage. As Minister of Economic Development, that is my number one lever to attract investment to this province, and believe me, companies recognize that. From the auto sector through to the ICT sector to the financial services sector, we're seen as having the best talent anywhere in the world. The part that excites me is the entrepreneurial sector. I know, as a small business person yourself, that's an area of particular interest to you, but that's an area too where we have a strength. But that strength we need to continue to grow, and having adequate facilities as well as the programs that our young people need to excel are absolutely critical to us meeting our economic development challenges. I think I can leave it at that.

Madam Chair, do we still have time?

The Chair (Ms. Cindy Forster): You have about two minutes.

Mrs. Marie-France Lalonde: I'm very happy and content to see our commitment in infrastructure for education. As you mentioned, Minister, I think, overall, the province has seen, and our youth and our children have seen, the benefit of this from various levels of funding coming towards them. So I'm very happy that we have made that commitment. We believe that the children of today will be the adults of tomorrow, and this is why we're investing in the infrastructure to make sure that they have a better chance, of learning for their future. Thank you.

Hon. Brad Duguid: Well, thank you for that.

The Chair (Ms. Cindy Forster): You've got one minute.

Hon. Brad Duguid: I agree.

The Chair (Ms. Cindy Forster): Okay. We'll turn it over to the third party.

Interjection.

The Chair (Ms. Cindy Forster): The official opposition; sorry. Twenty minutes: Mr. Arnott.

Mr. Ted Arnott: That's the briefest response I've ever heard you give, Minister.

Hon. Brad Duguid: Don't get too used to it.

Mr. Ted Arnott: I want to, again, welcome you to the Standing Committee on Estimates today. This opportunity for members of the Legislature to ask questions of an important government minister is something that is an important part of the accountability process in our parliamentary system of government, along, as we said yesterday, with the public accounts committee and some of the other mechanisms we have.

In a majority government situation, the government has an immense amount of power, and the opposition has an important role to play to hold the government to account. You're well aware of that. That's what motivates us today in terms of the questions that we will be asking you.

I want to return, though, to the MaRS bailout that we discussed yesterday at some length and we want to continue to raise today. We know that the bailout—the \$309-million bailout—that you announced on September 23 may just be the tip of the iceberg. There has been an ac-

knowledge on your part that that's the case. There's speculation that it could go as high as \$477 million, including the improvements, the operating shortfalls and some of the other expenses that might be incurred. My question to you, Minister, is this: How much are you willing to spend on this MaRS bailout? Is the sky the limit?

Hon. Brad Duguid: As I indicated yesterday—and I appreciate the fact that you gave me an opportunity to pretty extensively outline our position with regard to the decision to buy out ARE and put us into a position now where we have options with regard to addressing the challenges of phase 2 of MaRS. I think yesterday I was able to give a very detailed response to what our position is on that.

The \$65 million that we're putting forward to pay out ARE is, in my view, a very wise investment on behalf of the taxpayers of this province because it gives us the opportunity to be able to examine, determine, do our due diligence and take a thoughtful approach on how we address the ongoing challenges with phase 2, and then determining where we want to land in terms of public interest vis-à-vis the balance between protecting taxpayers' dollars in this investment—the real estate transaction, if you want to call it that—and the importance to continue to pursue job creation and economic growth and to build a strong bioscience cluster. I believe that's a very sensible place for us to be at this point in time.

I can assure you that Ernst and Young has been very clear in their analysis that the investments made to date on this particular project are equal to or less than the value of the building, which is absolutely critical, because what that means, as I expect you would understand, is that the taxpayer is not at a disadvantage here.

What we need to now do is make a sensible decision, in the taxpayers' interest and in the interest of building a strong economy, as to what direction we want to go in with phase 2. I've indicated that we have not put in place any preconceived idea with regard to that at this point. We're looking at our options.

We have a private sector panel with Michael Nobrega and Carol Stephenson, two very highly esteemed and respected individuals that have some very significant expertise to offer on this. We have expert advice from Infrastructure Ontario and my ministry that we will take into consideration as well.

0940

We'll certainly be open to your views. In fact, I welcome your views as to whether you think it was a wise idea to buy out ARE. I think it's important that you put that on the record as well. If you have views today on what you think we should do with phase 2, I think we certainly welcome hearing those constructive ideas as well.

Mr. Ted Arnott: If you'd be willing to share all the facts in a briefing with me, I would be happy to give you advice on what I think you ought to do.

Hon. Brad Duguid: What would you like to know?

Mr. Ted Arnott: I think there's a lot more that's going to come out over the next few weeks and months on this whole issue. This is just the start of it.

Hon. Brad Duguid: I don't think you're correct on that. I outlined, I think, the entire scenario, really, from beginning to end. I appreciate the fact that you gave me the opportunity to do that.

It is what it is. Phase 2 is a public undertaking. We all know the challenges that phase 2 faced. There's nothing that hasn't been reported on phase 2 in terms of the challenges of leasing out those units and why ARE was the bottleneck preventing our ability to get to those other options, whether it's the opportunity to lease out those units and continue with the vision of MaRS in phase 2 and utilize that space for what it was built for or whether we get a recommendation from the panel that says, "Hey, you know what? Maybe it's time for the government to dispose of this asset."

We haven't ruled out any of those ideas, but I couldn't be more open with you than I have been today in terms of what the facts are guiding the decision. My decision-making through this, and our government's decision-making, has been with the very same information that's in the public realm today. There's nothing, I don't think, preventing you from giving us your advice as to whether you think ARE was a good business decision on behalf of the province. Virtually everybody that I've consulted would suggest that it is, so I'd appreciate your view on that.

Mr. Ted Arnott: In response to that, I would ask you to table all available documentation relating to discussions with the company and emails that went back and forth.

Hon. Brad Duguid: Oh, you're hiding behind that.

Mr. Ted Arnott: Table that with the committee. Why don't you do that?

Hon. Brad Duguid: I think you're hiding behind that. You have all the information that I had when I made the decision to recommend to the government that we buy out ARE, and for some reason, you're hesitating to tell us—in fact, you're the only person that I have talked to thus far on this issue, that I've asked for their opinion, that hasn't been pretty clear that they think it's a good business decision.

I'm curious: What is it about our decision to buy out ARE and provide the province with the options that we have available to us that you oppose?

Mr. Ted Arnott: It's great to have a discussion, but I think it's up to the opposition to ask the questions, Chair. The minister is normally obligated to endeavour to answer the question.

The Chair (Ms. Cindy Forster): Back to you, Mr. Arnott.

Mr. Ted Arnott: I go back to my original question, which was about speculation that the bailout might cost as much as \$477 million. How much are you prepared to go beyond that to continue the policy that you've undertaken? Is the sky the limit? You didn't answer the question.

Hon. Brad Duguid: I did answer the question. We made what I believe to be a very smart business decision on behalf of taxpayers to buy out ARE.

That process is still under way. It's not finalized yet. We have our private sector panel that has recommended that we do that, but if you were to have evidence that that's a bad decision, we have the option of not going forward with it. If you have evidence that that's a bad decision—any evidence from anywhere: any financial adviser, private sector, public sector, political, whatever—I'd be really interested to know that now because the deadline in terms of that confirmation is fast approaching. I've heard absolutely no disagreement that that's a wise decision to make on behalf of taxpayers. I've not heard from one person yet—one expert, one colleague—who said that's not the right thing to do.

Mr. Ted Arnott: Have you been reading the newspaper?

Hon. Brad Duguid: I haven't read any article yet in the newspaper that suggests that that decision was wrong, but I'd be happy to entertain your opposition or criticism. If you have something of merit to share with me, I'd really be interested in hearing it.

Mr. Ted Arnott: Well, there's a lot of public concern. Let's leave it at that.

The fact is, there have been four CFOs at MaRS over the past five years. Does that concern you?

Hon. Brad Duguid: I have a lot of confidence in the board at MaRS, and I'm going to tell you why. When I look at the chair, Gordon Nixon; when I look at the quality of the people sitting on that board—not too long ago, I asked for a list of the board of directors, just to determine, do we have the right expertise on that board? I want to share with the committee some of the folks who sit on that board, because I think it's relevant; I think it's important. They're the folks who make the day-to-day decisions with MaRS. They're the folks who hire those who run the operations at MaRS: John Evans, founding dean of McMaster University, former president of U of T—he was one of the founders of MaRS and is someone who many of you know; Gordon Nixon—just about nobody in this room does not know Gordon Nixon or have a lot of respect for him, president and chief executive officer of RBC; John Manley, president and CEO of the Canadian Council of Chief Executives and former Deputy Prime Minister; Elyse Allan, president and CEO of General Electric Canada and vice-president of General Electric, a former president and CEO of the Toronto board of trade; Lawrence Bloomberg, chairman of the board of directors of BloombergSen Inc.; Elaine Campbell, president and CEO of AstraZeneca Canada Inc.; Derek Evans, president, CEO and director of Pengrowth Energy Corp.; Richard Ivey, chairman of Ivest Properties; Geoffrey Matus, president of Mandukwe Inc.; Michael McCain, who many of us know, president and CEO of Maple Leaf Foods; and Calvin Stiller, founder and former chief, Multi-Organ Transplant Service, London. These are folks—and there are others as well. The president of U of T has just recently, I think, been put onto the board.

These are pretty good, intelligent, business-minded people who are very public-conscious, who I have a great deal of confidence in. Are they perfect? Probably not. But I do want to say that those kinds of decisions as to hiring people and bringing people on are decisions where I do have confidence in this group of individuals, that they would have good judgment on that.

Mr. Ted Arnott: Perhaps you didn't hear my question. I was asking about CFOs.

Hon. Brad Duguid: I heard the question.

Mr. Ted Arnott: There have been four CFOs in the past five years. Did you ask for the list of the CFOs? Did you ask why they left?

Hon. Brad Duguid: I absolutely heard your question, and I gave you, I think, a very thorough answer—

Mr. Ted Arnott:—about the board and the composition of the board. We appreciate that—

Hon. Brad Duguid: The board of directors is responsible for the hiring of the people who run MaRS. They're responsible as well if there is removal of people. I don't know the individual circumstances in these particular cases here.

I guess what I'm curious about—are you suggesting that these individuals on the MaRS board are not qualified to make those judgements? Because I don't make those decisions and the government doesn't make those decisions—

Mr. Ted Arnott: I didn't say that, and don't twist my words. I did not say that. I asked about the CFOs. You have not mentioned the word “CFO.”

Hon. Brad Duguid: Well, you're questioning whether their judgment with regard to the CFOs is appropriate or not.

Mr. Ted Arnott: I was asking if you were concerned about the high turnover of CFOs at MaRS over the last five years. That was the question.

Mr. Han Dong: Madam Chair, point of order.

The Chair (Ms. Cindy Forster): Mr. Dong.

Mr. Han Dong: I'm wondering where we're going with this, because I would like to think the questions are within the parameters of estimates.

The Chair (Ms. Cindy Forster): Mr. Dong, Mr. Arnott has the floor. It's his time to ask questions, and he's asking questions that are within the estimates we're reviewing.

Mr. Arnott, you have about five minutes left.

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Mr. Ted Arnott: My question stands.

Hon. Brad Duguid: I guess my answer stands, too. I'm wondering, what is it about the board that the member seems to have a lack of confidence in?

Mr. Ted Arnott: Again, I never said that. You're twisting my words. I never said anything about that at all.

Hon. Brad Duguid: You're questioning their decisions with regard to personnel. I do not have concerns about the board's judgment; you obviously do. I'm wondering, what is it that concerns you about the board's judgment in this respect?

Mr. Ted Arnott: My question was: Are you concerned about the high rate of turnover—the revolving door of CFOs—at MaRS in recent years? And evidently, you're not that concerned because you won't even touch the question.

Hon. Brad Duguid: I am responding to the question, I think, very upfront. I have confidence in the judgment of the MaRS board. That's why they're there, to make those decisions. I'm a little surprised that you don't share that level of confidence that I have with them to make those decisions. If there's turnover in any particular position in that organization, I have confidence that that board is more than capable of addressing those concerns.

Mr. Ted Arnott: Let's look at another issue. Twice, I think, yesterday you mentioned that you were here as part of the Peterson government, as a staff member. I remember those years, too. I remember quite vividly that the government of the day, the Peterson government, had a policy to actually try to find opportunities to move the bureaucracy out of downtown Toronto and have government offices in other cities. For example, the Ministry of Agriculture and Food: the head office moved, at great expense, to the city of Guelph. I recall the Registrar General moving from downtown Toronto to Thunder Bay, and there were a number of other examples where the government actually thought that there was benefit to moving government outside of downtown Toronto for cost savings and to give other communities the opportunity to have those stable jobs, I guess, was the rationale. It has continued to be talked about as an idea through the years.

At the same time, the government is now saying that if the MaRS vacancies can't be filled, there's a possibility that new government bureaucrats in offices will be moved into MaRS to consolidate in some of the most expensive downtown Toronto office space possible.

You, yourself, yesterday, said that you want to reduce the government's footprint, in terms of office space. You used the words, "We want to reduce our footprint." How does that square with the government's previous position, I guess—and I would think current position—that there should be an effort to look at moving some of the government offices outside of downtown Toronto, where the office space is less expensive?

Obviously, with a \$12.5-billion deficit, I think you'd acknowledge you can't afford the current payroll as it is.

Hon. Brad Duguid: You are correct. We've set very aggressive objectives in reducing our footprint when it comes to government space that's being utilized right now. In fact, we're 35% of the way there already, so we've made some significant improvement in reducing that footprint.

The proposal you're talking about, and I said yesterday clearly that everything's on the table and I'm looking forward to hearing in an unfettered way—I've been clear about that, too—the recommendations of the panel, Michael Nobrega and Carol Stephenson. I've asked them to give us unfettered advice, which means, "Don't worry about the politics of this. Think about the long-term and the best interests of the Ontario public, and give me your

best advice." I've not sensed a great deal of momentum right now behind that suggestion.

I said that yesterday. I'm not ruling it out. It was proposed as swing space, as Macdonald Block is renovated; that that would be used as—I call it "temporary space," but that's a long-term renovation. "Temporary" to some is six months. It would be much longer than that.

That is not in any way a decision that has been made nor is there a direction right now from government on that. We're looking at all options. What's in the public interest? I'm trying to be as upfront as I can when I say at this point in time I don't see a lot of momentum in that direction.

The Chair (Ms. Cindy Forster): Minister, you have one minute.

Hon. Brad Duguid: But I want to make sure that everything is on the table for that expert panel to be able to give us their best judgment. They're going to look at those issues, and they will look at that proposal that would have had some of those units used as swing space.

They're also going to look at the opportunities of leasing that space with tenants that are very much in line with MaRS's current vision, and that's important as well, and to look at those options and see how realistic that is. That's some of the advice I want. That's why I like the private sector element to that panel: so that I can have good, third-party, unfettered, realistic advice that's going to protect taxpayers and continue to keep an eye on the importance of building a strong economy and investing in innovation.

Mr. Ted Arnott: The final question we have is: Has Ed Clark included MaRS in his asset review? If not, can you provide a list of which other provincial assets have been excluded from the review?

Hon. Brad Duguid: I'm not responsible for Ed Clark's review. I can tell you that MaRS is, to the best of my knowledge, not on that list. With regard to the other assets, my understanding is, that was all public knowledge. I would hesitate to rattle off that list to you now because I'd probably leave one of the agencies out.

Mr. Ted Arnott: But you could check into it with your staff and perhaps give us an answer in the next round.

Hon. Brad Duguid: It wouldn't be my staff that's responsible for this, but that information, I'm sure, is available to all of us—

Mr. Ted Arnott: Maybe it's on a website somewhere.

Hon. Brad Duguid: It might be.

The Chair (Ms. Cindy Forster): Thank you, Minister.

Third party, Mr. Hatfield; 20 minutes.

Mr. Percy Hatfield: I know that many experts agree on the P3s and the AFPs. I want to take a minute or two to talk about an example elsewhere and then see if it's the same thing that happens in Ontario.

The example I've chosen is one from British Columbia. Another accounting trick that favours AFPs was uncovered by a couple of BC accountants, Ron Parks and Rosanne Terhart, who looked at four P3s in British Columbia. Parks and Terhart found that P3s cost more, that

the process for evaluating them is biased, and that there's a lack of solid information available to the public to compare P3s with traditional public financing. In their analysis of why P3s cost more, Parks and Terhart take aim at the discount rate—the assumed interest rate—used by Partnerships BC to compare P3s to publicly procured projects. They reviewed how Partnerships BC reworks the actual nominal cost, dramatically decreasing the estimated cost of P3s, mainly by using inflated discount rates. For example, before discounting, the P3 option for one of the projects studied, the Diamond Centre, is more than double that of public procurement. However, as the report demonstrates, choosing a 7.12% discount rate, the P3 project cost was reworked down to \$64 million and the publicly procured project to \$81 million, a difference of \$17 million in favour of the P3. The original \$114-million public procurement advantage then becomes a \$17-million private sector advantage.

Getting back to Ontario, the question is: Does Infrastructure Ontario use a similar discounting methodology when doing their value-for-money studies?

Hon. Brad Duguid: I appreciate that, but I'm Minister of Infrastructure for Ontario, and I'm hardly going to respond to our sister provinces and the projects and their procurement processes. We are seen nationally as the model, here in Ontario. Others are looking to ours as a model. This may sound repetitive, but the fact of the matter is, these projects are all out for open tender and bid. It's an open procurement process. The cost of the project doesn't depend on many of the factors that you cite as much as it depends on the competition. There's a base level of cost that a private sector company would know that they would be incurring, and there is a profit margin for them built into it; there's no question. Why would they bid for a project to lose money? They're not going to.

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Where the public benefit comes is that that private sector expertise helps ensure that project stays on budget, on time and is dealt with efficiently. It also helps ensure that there is a built-in incentive by transferring the risk to the private sector. From my perspective, it just makes sense for those projects that we use this for. So I'm not going to speculate on what might or might not be good for BC or projects that may have not gone as planned in British Columbia.

I don't think, in any way, we would suggest that all P3s are going to work out perfectly. I say very upfront, with construction projects, there's a risk involved every time you put a shovel in the ground. There are risks involved every time you make an infrastructure investment. The only way to avoid that risk is not to spend \$130 billion over 10 years and allow our infrastructure deficit to deteriorate and not meet our challenges of building competitive infrastructure in Ontario.

We're willing to take the risks to do that. What we want to do is have the best possible procurement processes in place that best serve the taxpayer. I very much appreciate your views on this. We don't have to agree on

everything. I and our government feel strongly that AFP has served our province well to date—

Mr. Percy Hatfield: Well, I guess, Minister, my question is—and I apologize for the long preamble that led to it; I may have lost you and the crowd in getting to it—does Infrastructure Ontario use a similar discounting methodology when doing their value-for-money studies, as in the example used in BC?

Hon. Brad Duguid: I could maybe ask staff to see if they could comment on that. The methodology we use right now, I'm confident, is the most modern method of analyzing these projects. As I've said, I have a great deal of confidence in the work that Infrastructure Ontario does to ensure that they're getting the best value for taxpayers on these projects, to ensure that the most important thing of all is that these procurement processes are unfettered, that it's a competitive process and that we're getting the best possible price for these projects.

Mr. Percy Hatfield: Could we have the staff up that you've just identified that might be able to comment on this? They would have, perhaps, the specific knowledge of the British Columbia example and could tell us if they use the same discounting methodology here in Ontario.

Hon. Brad Duguid: They may. I'm happy to ask the deputy to see if he can add anything to that.

Mr. Giles Gherson: I don't think I can shed a whole lot of light, primarily because I think you cited four projects in that study in British Columbia, of which there are many projects in British Columbia. So whether the discount rates that were used in those four projects are equivalent to the discount rates that were used in other projects, we don't know, and maybe the authors of the study don't know. So we probably can't really shed much light on that.

I would say, though, that when you cite these studies as you have a few times, it's important, I think, to sort of balance some of the known factors. I think the authors of the studies have talked about discount rates and risk premiums that are built into these projects. I think one of the things that we try to balance those with are some of the factors that lead to lower cost. The minister has cited a number of times the highly competitive infrastructure market, the fact that there are innovations that are brought to bear in these projects that weren't necessarily foreseen when the projects were put forward that are brought forward by the proponent. As well, delayed payment: We have a delayed payment approach which means that if there are problems that occur, those payments don't take place. That, in a sense, reduces the risk. There is construction risk that takes place, and the minister has alluded to that. Whether it's equipment failure or labour issues, those, in a sense, can't be foreseen and are all borne by the proponent. Then there is the operation of the structure afterwards, over the 30 years that the structure is in place before it transfers back to the government, all borne by—

Mr. Percy Hatfield: Deputy, let me take you back to your very distinguished career in journalism. I'll give you an example and you can perhaps comment from a

journalistic perspective. I'll table the evidence with the committee and you can comment or not.

For example, in Hamilton, St. Joseph's Healthcare, the West 5th Campus: The basic budget proposed by the winning bidder was \$475 million, but on top of that, they were awarded \$445 million to assume the cost overrun risk. KPMG, who did the value-for-money audit, concludes that the AFP approach would be 14% cheaper, but this is because the risk premium was about 95% over the cost estimate. So what this means, I guess, is that the AFP model was chosen because the historical cost overrun for hospitals built the traditional way was set at almost 100%. But the problem is that there's no evidence that hospitals financed the traditional way have average cost overruns of almost 100%.

Minister or Deputy, most of your AFPs to date have been hospitals. Can you table the evidence at 9 o'clock at the next meeting of this committee that cost overruns of hospitals built the traditional way are close to 100%? This is crucial because if you don't have that proof and are not willing to table it, that then suggests that you are massively overpaying for your AFP projects.

Mr. Giles Gherson: If I could answer as a journalist, I need a bit more evidence before I could respond. I never wrote a story without having all the facts, but—

Hon. Brad Duguid: Since when has a journalist ever taken that as an adequate response?

I can tell you while he's looking for the information, I second your view that he had a distinguished career as a journalist. There was a time when I was a city of Toronto councillor when he was grilling the heck out of me, a lot more than you guys are today, as a chief editor, I think, for the Toronto Star.

The Chair (Ms. Cindy Forster): Excuse me, Minister. How much time does your staff need to confer? Because we're eating into Mr. Hatfield's time. I could actually do a recess here for a few minutes so that he doesn't lose his time.

Hon. Brad Duguid: Do you need a recess or are we almost there?

Mr. Percy Hatfield: I think it's important that they get the information together.

Mr. Giles Gherson: I've got my colleague here, Chris Giannikos. I think what he's going to say is that citing one example—it kind of goes back to the study issue as well, with respect—it's very hard to draw a trend from that. The other thing I would say is that most of these contracts have a significant amount of commercial confidentiality. So it's hard to draw out all the facts in all of these contracts, if you were to look at all of the hospital contracts that have been AFPs, which I think number 80 altogether.

Chris, can you add—

Mr. Chris Giannikos: Thank you for the question. I guess one way to try and answer this is, we've looked across a number of jurisdictions, including the UK, Australia, the United States etc., and if you look at all of these, you're going to find that a significant portion of them, 93% of them, are providing procurement using the

AFP at significant savings. So there is a trend out there that shows that the model works to a certain extent.

Now, whether in every single one of those jurisdictions what you're alluding to is actually happening, and every single one of those projects worldwide is overestimated in terms of the risk premium or the discount rate—I think is a little bit of a stretch. I think maybe, with respect, if I may be so bold, you'll probably find that there is a balance of projects where perhaps there is some truth to what you say and there's a balance of others where probably there isn't. We don't have enough specifics to be able to say categorically on that particular point that it is true or not true.

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The fact that the deputy has also brought up the issue of commercial confidentiality—that's also a big issue. We do take some solace in the fact that the model is being applied worldwide. It has come up with some significant cost savings. It has also produced some significant issues in a number of cases. Some of the stats that I've given you show that it isn't 100% anywhere in any jurisdiction. But that comes down to the fact that the contracts provide a certain discipline that improves the way that we procure and a certain project management that is somewhat, in many cases, better than what you can get in traditional.

You also brought up the issue of interest rates. You brought up the issue that what the government can borrow at versus what the private sector can borrow at is a lot less and therefore, "Why would you ever want to go with an AFP project where the cost of financing is higher?" There are a couple of comments. There's a number of studies that actually speak to this. One of them—and the key premise here, with your indulgence, is, perhaps the government borrowing rate is not the correct one to use for traditional projects or for a comparison. I say this because the government rate does not take into account the risk associated with cost overruns on the traditional side.

The Chair (Ms. Cindy Forster): Mr. Hatfield, were you satisfied with that answer or did you want to move on to—

Mr. Percy Hatfield: Madam Chair, I'm delighted to hear the response. I think there's a lot more information that Chris is about to give us that's very beneficial.

The Chair (Ms. Cindy Forster): We have about four minutes.

Mr. Percy Hatfield: Thank you.

Mr. Chris Giannikos: The literature speaks to: How do you best develop a discount rate that will take into account all the externalities? When I'm talking about externalities, I'm talking about: The government rate at which we borrow is the beginning of constructing an appropriate rate. What I'm getting at is, you can get a more appropriate, higher rate that will get closer to what a private sector rate would be. There is a lot of debate in the literature about what it should be and what it shouldn't be, and that we continue to try to get at that.

Mr. Percy Hatfield: Right. I guess the point was that the risk premium is supposed to take into account the discount rate; right? Are you suggesting that the risk premium doesn't do that?

Mr. Chris Giannekos: I'm suggesting that the rate at which we finance traditional projects is not a fulsome rate. It should be higher. In other words, the costs of traditional projects are higher than what they are appearing right now.

What I'm trying to get at is that when the government borrows a certain amount of money to finance infrastructure, the borrowing rate is set by the markets, and that's what is used on the traditional side of the project. However, that may not be an appropriate discount rate. It should and may be higher than that, because what that discount rate doesn't factor in is the risk associated with cost overruns. We do not include a risk associated with cost overruns in the traditional way that we finance projects, but the private sector does, so there's a difference in that. What I'm suggesting is, the literature is debating that point.

The Chair (Ms. Cindy Forster): We have one minute left, Mr. Hatfield.

Mr. Percy Hatfield: Thank you. I need better hearing, I guess. I don't know what it is.

Interjection.

Mr. Percy Hatfield: Both should not reflect the risk, I'm told. Does that make any sense?

Mr. Chris Giannekos: I'm not sure that both should not reflect the risk.

Mr. Percy Hatfield: All right. So the hospital, built the traditional way—you said it wasn't going to be 100%, the cost overrun, or the cost. Is it in the 90% area, or where is it?

Mr. Chris Giannekos: Well, it depends on the project and it depends on the hospital. So it varies by project. What I'm trying to suggest is there are studies out there that show that the AFP model provides cost savings, and I can provide you—

The Chair (Ms. Cindy Forster): I'm sorry—Deputy Minister, is it?

Hon. Brad Duguid: Assistant deputy minister.

The Chair (Ms. Cindy Forster): Assistant deputy minister. Your time is up and you'll have to answer that question in the next round.

We'll move on to the government.

Mr. Percy Hatfield: And you can bring the studies.

The Chair (Ms. Cindy Forster): Mr. Balkissoon, 20 minutes.

Mr. Bas Balkissoon: Thank you, Madam Chair. I just have a question or two of the minister.

Yesterday, you covered government properties and that it's important we make a decision when to own and when to lease. In doing so, you said the government had committed to a Realty Transformation Strategy. I'm wondering if you could tell us a little bit more about that and how you see that strategy actually rolling out and working for us.

Hon. Brad Duguid: Thank you. I appreciate the question, as a member who has done a lot of work when it comes to the details of trying to make governments more efficient. Mr. Balkissoon and I had been colleagues at the city level long before we got here, and I have seen the good work that he did on places like audit committee and others. I'm not surprised that that would be a question that would be coming from the member, because he is a numbers guy and he's a detail guy, and somebody who I think serves us well in trying to ensure we get best value for our assets.

It hasn't always been that way. Governments of all stripes through the years have tried, talked about it, but it has sometimes been challenging to action modernizing the way we address and deal with our real estate assets.

The fact of the matter is, today, when you look at the size of your average government employee office, it's actually quite a bit bigger than the current private sector average, for a number of reasons. We have really tried to get the best value we can out of our assets, and there has been a reluctance by all governments to invest in our own nest, let's call it, or invest in our own government buildings. That doesn't tend to be a politically popular thing to do. As a result, many of our employees are in pretty old, outdated office accommodations that are set up to be larger than today's needs for office employees.

Lifestyles have changed as well, and technology has changed to a point where people don't necessarily need to be—depending on what they do and what their role is, they don't need to be in their offices 24/7; not that we're in our offices 24/7, but they don't need to be in their offices all the time. So a lot of private sector companies—I even see this in my own bank now. Where everybody had their own office in the bank before, they now just have rooms that they go into randomly when they are dealing with clients. I'm not saying that could work for all government and all public servants that we have, but there's no question that there are opportunities, through the use of technology, through finding ways to help people work from home, to be able to both reduce our footprint in terms of the need for space for public servants and government services and also, in particular in urban areas, to reduce gridlock on our roads. I mean, tens of thousands of people work for the province of Ontario just in the greater Toronto area alone. I'm sure the same is true with the federal government in Ottawa, too. If you reduce the number of times people have to go to and from work, you're also reducing gridlock. You're having a good impact on the environment, if they're driving—and you're even reducing the demand for public transit when you do that. It's just a smart all-around way to go.

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I talked yesterday a little bit about reducing our footprint. We have a goal, and I can't remember the exact number of square feet that we want to reduce it at—

Interjection.

Hon. Brad Duguid: The average employee currently takes 250 square feet. The average standard in the private

sector right now is 180 square feet. There's a lot of room for improvement there.

Now, it doesn't happen just in one day, because that requires investment in terms of modernizing our offices and consolidating our offices. We've reduced our footprint now by 35%, a good start, but we still have a long way to go. It's something that we're aggressively pursuing internally, through Infrastructure Ontario and our realty division—looking for ways that we can do that.

It's a little bit more challenging during tough fiscal times. It's a smart investment that saves you money down the road, but year to year, we're dealing with that deficit situation, so we don't have unlimited resources to make those investments at this point in time. It's too bad that we don't, because in the long term they would pay off, but it's something we're aggressively pursuing. So it's a very, very good question.

Mr. Bas Balkissoon: If I could follow up, Minister: You also stated that many of our buildings are aging. You and I know that if maintenance and repairs of a capital nature are not done in the appropriate time, when you do delay that, the cost can be a whole lot higher. Can you tell us what the government is doing to address that particular issue for government assets?

Hon. Brad Duguid: Well, it's a huge challenge. We talked about aging assets, and we're in that as a province. Frankly, a lot of our buildings across Ontario were built in the late 1950s and 1960s, so they're at that age where, in some cases, they're in virtual teardown shape. In other cases, they need very major rehabilitation. So we're reviewing now our building capital repair program, and we need to focus, because the challenge is significant. We're going to focus on those buildings that are more important to us, our more strategic assets first, and then move forward.

Macdonald Block is a good example of that. We all know Macdonald Block. It's really the bulk of those ministries that are close to Queen's Park here. Many of our ministers' offices and parliamentary assistants' offices are there. It's a huge block of buildings. I assume it's the largest block of government office space, likely in the province. That's at an age now where there are serious challenges there.

Again, it's challenging. It's challenging politically, too, because it's going to require some significant investment to even get it up to a standard that's appropriate. What it really likely requires is a complete refurb. When we talked about MaRS earlier on, that was part of one of those potential options that was being thrown around or considered. As I said, there's not a ton of momentum behind that particular option at this point in time. That's not to say the panel might not take a look at it and say it is the best bet, but that was where that actually came from: How do you renovate government buildings? In this case, these government buildings, from how I've been advised, need almost a full gutting to continue to do the work of government. These are significant renovations, so they're not like a month or two of inconvenience; I think it's a 10-year plan to renovate those buildings.

We need to do it professionally. We need to do it with expert advice as to how best to do that. I'm always of the view that we need to always think outside of the box on these issues. I know Councillor Balkissoon, from his former experience, thinks very much the same way; that you also need to recognize not everything has to be downtown either and that there are opportunities outside of the downtown core potentially and maybe even outside of the GTA from time to time too, where you can look at other options for some of that space. Not every public servant has to be within walking distance of Queen's Park. At the same time, many still are. In some cases, it's more efficient and effective to build a precinct on land we already own—it's an asset that we already own.

So we need to look at the business case for doing this over the next little while. It is an issue before us. It has gotten to a point—I can tell you at Macdonald Block now—where it really will not be able to be pushed out any further. We are going to have to take a close look at what the options are there. Your advice on that will be very welcomed, given your experience in the past at the municipal level and here.

Mr. Bas Balkissoon: Thank you, Minister.

The Chair (Ms. Cindy Forster): You have about four minutes.

Mr. Bas Balkissoon: Four minutes? Thanks.

Minister, you know, as I know, because we're both from Scarborough, that health care in our area has been under a lot of pressure from the public with regard to our infrastructure. The hospital in your riding is over 50 years old. The one in my riding, next door in Agincourt—it's close to 30 years with no investment in the building whatsoever. The third hospital in Scarborough is under some pressure also for redevelopment because of the age of these facilities. Plus, health care itself has changed dramatically in terms of how it's delivered.

Can you tell us what the government is doing in terms of health care, our assets in health care and what our commitment is to renew some of these facilities?

Hon. Brad Duguid: Excellent question. As I've said earlier, when it comes to individual projects, that is not the Ministry of Infrastructure's domain. That really is the responsibility of the Minister of Health and the Ministry of Health and Long-Term Care. I'm not at liberty nor do I have the information to be able to get into individual projects, but we can speak overall to our commitment across the province.

We're gearing up to spend \$11.4 billion over the next 10 years in major hospital expansion and development projects. So, \$11.4 billion during challenging fiscal times—in particular, we anticipate, over the next number of years—is a significant undertaking. We're determined to move forward with that. It's important to our quality of life in Ontario. I see it as a competitive advantage as well. The fact that we have such a well-respected health care system is one of the things that, when companies do look to invest and locate here, they look to as an advantage for them and their employees.

This is in addition to the \$700 million over 10 years that we're committing to critical repairs in hospitals, which is important. I know the hospital that you referred to—our hope would be that some of those dollars may well end up addressing some of the concerns that you've pointed to. Also, \$300 million is being allocated to shift health care from hospitals to community settings. That's important; \$300 million is being allocated and set aside for that.

Again, governments of all stripes through the years—we've all had our opportunity to govern in the province of Ontario—have talked about the importance of moving from institutional care to community-based care. The challenge, I think, I've seen over the decades, as the talk has happened and efforts have been made, is that it also has to be backed up with resources in those community-based facilities as well. That's where that \$300 million will be really critical—to helping ensure that the community-based infrastructure is there as we move from more institutionalized care.

1030

We're always going to need some level of institutionalized care. Nobody is suggesting we're not. But I think the jury has really spoken. There's take-up even in the hospital sector, I find now. Dealing with my own hospital and others in our community of Scarborough, I find there now is acceptance, where there may have been, five or 10 years ago, reluctance—I'm seeing that there's more acceptance of the new vision for health care and the need to do more community-based work. Hospitals are doing that in and of themselves. But that doesn't happen without some upfront investment as well. It's good investment because, at the end of the day, it does save us considerable expenditure in the long term. But you have to make that short-term investment in community-based facilities to be able to get to that long-term benefit.

I'm proud to say that our government, in our budgets over the last 10 years, has put considerable resources into community-based health care. There's the provision in the operations of our CCACs and other forms of community-based health care, but there's also the need for some capital investment as well in our community-based health care facilities. That's where that \$300 million, I think, will be invested over the next number of years. I think it's a smart investment that ultimately is going to deliver taxpayers significant savings down the road. But on top of that—this is the win-win-win situation with this kind of investment—it's also going to improve the quality of health care and make it more accessible to our residents, which is something I think all of us would be supportive of.

The Chair (Ms. Cindy Forster): You have about a minute left.

Mr. Bas Balkissoon: About a minute left. Well—

Mr. Randy Hillier: Think of something.

Mr. Percy Hatfield: How do you spell "win-win-win"?

Mr. Bas Balkissoon: I think my friends want to help me out.

Minister, thank you very much for that answer. I have a couple more questions on hospitals, but I'll wait for the next turn.

The Chair (Ms. Cindy Forster): Thank you. We'll turn it over to the official opposition. Mr. Hillier.

Mr. Randy Hillier: Thank you very much, Chair. Minister, I want to go back to MaRS here on a few things, and get a few things on the record. I think maybe you and I will explore MaRS together for the next 20 minutes on what appears to be a steady stream of taxpayer money—truckloads of money—going from Queen's Park down the road to College.

Let's start off with this, Minister: There are, from what I've been able to determine, about eight different companies under the MaRS umbrella. There's MaRS services, there's MaRS enterprises, there's MaRS 2, there's MaRS 2 trust, there's Cognicity, there's MaRS ventures. Just for the record, the mortgage—the \$234-million mortgage—which is in default or non-performing: Who was that loan made out to? Which one of those MaRS entities has that loan that you're paying the interest on out of the ministry?

Hon. Brad Duguid: I'll ask my ministry folks to provide me, if they can, with that answer. I think, though, as they're doing that, it's important for me to also put on the record that you're incorrect when you talk about a steady stream of—

Mr. Randy Hillier: No, no, Minister. I ask the questions here. You're waiting to get the answer. I'll be patient, and I'll wait for the answer to come from your staff.

Hon. Brad Duguid: You asked the question and I'm responding exactly to your question—

Mr. Randy Hillier: So I'll go on to my next question while I'm waiting for you to get—

Hon. Brad Duguid: No, hold on. Hold on.

Mr. Randy Hillier: I'll go on to my next question while you're waiting to get the information.

Hon. Brad Duguid: I will answer your first question first. You can ask your second question—

Mr. Randy Hillier: Excuse me, Minister. I'm asking the questions. You couldn't answer it. I'll be patient and wait for your staff to get the answers to it.

My next question, while we're waiting for that, is—

Mr. Giles Gherson: I can give you the answer right now, sir, if you wish.

Mr. Randy Hillier: Thank you.

Mr. Giles Gherson: The \$224-million loan was to MaRS Discovery District, which is the umbrella organization.

Mr. Randy Hillier: MaRS Discovery District.

Mr. Giles Gherson: Correct.

Mr. Randy Hillier: The bailout of the \$70 million to Alexandria Real Estate: The minister said that you've bought this out and now you're going to examine and determine these ongoing challenges. So I'm going to ask: What actually did the taxpayer purchase? What tangible effects did the taxpayer get for that \$70-million bailout of ARE? Did we purchase the leasing rights? Did we purchase anything with it? What did the taxpayer get for that

70 million bucks, other than your time to examine the ongoing challenges?

Hon. Brad Duguid: Let me be very clear here. First off, you're incorrect: It's a \$65-million investment that is paying for ARE's interest in this particular project. They were hired—and I'm speaking in layman's terms here as I say this; it's probably more technical in terms of their role—to more or less manage the phase 2 project and operate it. I'll let staff correct me if that wording is not 100% correct. They had the ability to determine what the lease rates would be.

The reason why we moved forward to buy out—it's not a bailout. They're taking a writedown for this. This is not a bailout in any way; this is an opportunity for the province to be able to get to a point where we'll have some options with regard to how we move forward to address the challenges faced—

Mr. Randy Hillier: So you've answered the question: Their interest and their responsibility with that investment was to manage and operate, so we have now bought them out—the taxpayer has bought them out through your ministry—and we get to manage and operate a facility, a building, that has a non-performing mortgage on it. So the taxpayer is on the hook for the mortgage. We have also paid for the privilege now of managing and operating the building, and we've also committed to paying rent in at least four floors of a building that we've bailed out. Is that correct, Minister?

Hon. Brad Duguid: No, it's not. I guess what I would need to better respond to your concerns is, what is it about the buyout of ARE that you're opposed to? Other than your colleague, I haven't asked an individual yet for their view, but a financial expert or be they one of our very qualified public servants, who has said anything but buying out ARE is a good business decision on behalf of taxpayers. So—

Mr. Randy Hillier: I'll answer that, Minister. I make decisions after I gain the facts and I have knowledge. That's when I make decisions and recommendations. What I'm trying to do here is get the facts.

We know that the government has no oversight of MaRS. There's no legislative framework. We don't appoint any directors to the board; there's no Lieutenant Governor appointments. There is absolutely no mandate or requirement of MaRS to report to this government, and I think you demonstrated that in my colleague's earlier questions to you.

We have no oversight. There is no mandate or legislative requirement for them to be accountable to this Legislature, but we have lent them \$234 million, which they can't pay back. Their partner in that investment we've also bailed out by \$65 million.

And now we've also agreed to rent four floors of a building—I want to know, who are we paying rent to on this structure now? When those four floors are taken up in occupancy, are we paying rent to MaRS, which is in default of the mortgage to the Ontario government? What's going on with this building of red ink called MaRS?

Hon. Brad Duguid: Your rhetoric outdistances the reality here. You're entitled to whatever rhetoric you want, but at the end of the day, it's the facts that you do have, the same facts that I have and the same facts that I had when I made the recommendation to our government to buy out ARE, the facts that our public servants had when they made that recommendation to me, and that our independent panel with Michael Nobrega and Carol Stephenson had as well. You are at no disadvantage when it comes to the facts here. If you have information—

Mr. Randy Hillier: Well, it's nice to know that we now are on the hook to manage and operate the building as well.

1040

Hon. Brad Duguid: If you have information that I'm not aware of that suggests that is not a good business decision on behalf of the taxpayers of this province, my suggestion is—you're before committee here; you are eyeball-to-eyeball with me now. It would be a very opportune time, with all of our colleagues here today—

Mr. Randy Hillier: That's what we're going to do. We're going to explore MaRS together.

Mr. Randy Hillier: —and with the media here as well, to share that information with me, because I would be very interested. This deal hasn't closed yet.

Mr. Randy Hillier: Which is good.

Hon. Brad Duguid: Before the deal closes—and time is ticking—I would be very interested to hear if you have anything credible to say—

Mr. Randy Hillier: So let's get some more facts—

Hon. Brad Duguid: —on the ARE deal. Share that with me now, because I'm looking forward to hearing that.

Mr. Randy Hillier: Okay. Let's get some more facts on the table. You said yesterday in this committee that you had Treasury Board approval for your transactions with MaRS, that you didn't need to go to cabinet, you didn't need to get instruction from the Premier on this; you had Treasury Board approval. You could act on your own. I want to ask this very simple question. That Treasury Board approval: Does it have an upset limit attached with the approval or is it open-ended?

Hon. Brad Duguid: I would have to go back and check to see what that actual approval is.

Mr. Randy Hillier: You've made a decision on this and you don't know what the upset limit is?

Hon. Brad Duguid: The fact of the matter is—

Mr. Randy Hillier: You've talked about taking away risk from the taxpayer all yesterday and today. What is the risk? What is the upset limit that you've got approval for?

Hon. Brad Duguid: Well, I can tell you that the \$65 million that we agreed to is well within the upset limit. I guess I come back to you now: If that \$65 million—

Mr. Randy Hillier: You're not telling. You're not being open. You're not being transparent.

Hon. Brad Duguid: I'm being 100% open. The deal is \$65 million, which I announced within hours of

closing that negotiation. I don't believe you can be more upfront than that. It's \$65 million.

Mr. Randy Hillier: I asked what the upset limit is for your Treasury Board approval on this MaRS project.

Hon. Brad Duguid: And I'm telling you the \$65 million was well within the upset limit.

Mr. Randy Hillier: What is the upset limit?

Hon. Brad Duguid: My question to you would continue to be, what is it about the \$65 million that you're concerned about?

Mr. Randy Hillier: I want to know what the upset limit—

Mr. Han Dong: Madam Chair, a point of order.

The Chair (Ms. Cindy Forster): Mr. Dong, point of order.

Mr. Han Dong: Madam Chair, I just want to know if what the member is asking with regard to the Treasury Board decision is within the parameters of the estimates committee.

Mr. Randy Hillier: You should read the parliamentary procedures manual.

Mr. Han Dong: Well, I'm asking for—

The Chair (Ms. Cindy Forster): Mr. Dong, the minister referenced it, so the member now has the right to actually go to that line of questioning.

Mr. Randy Hillier: So, Minister, you're not going to give this committee the upset limit. Yes or no?

Hon. Brad Duguid: I'm very pleased to advise committee that I would not enter into negotiations or finalize negotiations that are outside of the parameters laid out to me by Treasury Board.

Mr. Randy Hillier: But you're not going to be open and transparent and share that number with us. Yes or no?

Hon. Brad Duguid: The \$65 million, which you appear to think is not a good deal on behalf of taxpayers—

Mr. Randy Hillier: Minister, you already answered the question. We'll go on to the next one.

You've got a building that is partially occupied. We have a non-performing default loan that the taxpayer is on the hook for. We've bailed out an American developer. And I just have to say, who else loses money on real estate in downtown Toronto these days? It's just about astonishing.

But I want to ask this, Minister—because you're so adamant about taking risk away from the taxpayers and investing wisely for the taxpayers. We know that we now have to also manage and operate this building, according to what we've taken over from ARE. What is the added-on cost? How much more, with the relocation of Public Health Ontario from Resources Road to those four floors, the relocation of the level 3 lab—and this is a level 3 lab. They do testing on specimens and investigations on diseases such as encephalitis, SARS—they won't do Ebola; that's level 4. But that's the level of laboratory work that will be taking place next door to Queen's Park here and next door to our hospitals.

I want to ask this minister: How much more money is being paid out in rent for that lab that we just spent \$38 million on to renovate out on Resources Road? We're

moving those people down here. We're going to leave the warehouse out on Resources Road. What's the added cost to the taxpayer now, and where is that factored into the estimates? What is the square footage cost for those four floors? What's the total cost to the taxpayer?

Hon. Brad Duguid: Well, Madam Chair, the member's meandering, uninformed as it is on this issue, suggests somehow or another that Ernst and Young's report to us and analysis—

Mr. Randy Hillier: What is the added cost?

Hon. Brad Duguid:—of this building and the investments that we as a government have made in MaRS somehow results in a loss. Madam Chair, that is absolutely untrue, and if the member was here yesterday—

Mr. Randy Hillier: So this is a wise investment?

Hon. Brad Duguid: And I'm sure the member listened very carefully to what I had to say yesterday, and I'm sure the member would not want to suggest Ernst and Young is not a credible organization. They've said—

Mr. Randy Hillier: Minister, do you know what the cost is?

Hon. Brad Duguid:—that the investment that we've made in MaRS is equal to or less than the value of the building. So when the member suggests in his meandering, uninformed as it is, that somehow there is an inherent loss here, he must have information that I don't have.

Mr. Randy Hillier: We have no oversight, we have no accountability and we obviously don't know what the rent is going to be.

Hon. Brad Duguid: At this point in time, Ernst and Young has been very clear that that's simply untrue.

Mr. Randy Hillier: I asked you what the rent is. What is the added cost? Do you know? Do you know what the added cost is?

Hon. Brad Duguid: Any questions with regard to Public Health Ontario are not part of my estimates and the member would understand that.

Mr. Randy Hillier: But you're managing and operating the building now. You just bought out ARE. That was their obligation. You've just stated that to the committee.

Hon. Brad Duguid: I'm trying to answer your question, but you keep interrupting me. Go ahead. Keep interrupting me; I'll wait.

Mr. Randy Hillier: You don't know how much the cost is that you're charging out, because, as you said, you've bought out those interests. You're managing and operating that MaRS 2 tower. You don't know that question.

Hon. Brad Duguid: Well, you haven't given me a chance to—

Mr. Randy Hillier: Let me—

Hon. Brad Duguid: No, hold on. You haven't given me a chance to respond. I think you really ought to give me a chance to respond. But you go on to your next question. It's your time. I don't want to manipulate your time, but I hope that your next question has more accuracies than your previous one.

Mr. Randy Hillier: Okay. Next question. Minister, I'll go to the next question, then.

Minister, this bailout, now over \$300 million, that we're looking at right now—and we don't know what the upset limit of the transaction costs for MaRS is, but this clearly—the Premier stated very unequivocally, looking at the asset sales such as the LCBO, and mentioned specifically the LCBO building, that money was going to be realized and then invested into infrastructure and roads. It appears to me we're bailing out MaRS. This bailout is a lot more than the money realized from the LCBO sales; don't you agree?

Hon. Brad Duguid: No.

Mr. Randy Hillier: No. Okay.

The Chair (Ms. Cindy Forster): Mr. Hillier, you have about two minutes left.

Mr. Randy Hillier: Minister, does it concern you that between all the grants and all the bailouts that are going down the road to MaRS, in all these various for-profit and not-for-profit entities controlled by MaRS—do you not believe that the taxpayer should have some oversight, some scrutiny, some examination of what is going on with all the money that is going there? With every other agency or delegated authority, we put in place procedures and methods to protect the taxpayer. This organization that gets truckloads of money and gets bailed out when they lose money on real estate in downtown Toronto and we end up taking back their mortgages—we have no influence, no oversight, no scrutiny. It's hard to even find out which arm of MaRS we're dealing with here, out of all their different arms. Does that not concern you? Do you think that fits with your mandate of investing wisely and being open and transparent?

1050

The Chair (Ms. Cindy Forster): You have one minute left.

Hon. Brad Duguid: I think what concerns me is the fact that the PC Party seems to be making a sharp right turn away from the policies that they endorsed when they were in government.

Let me just quote quickly, in the minute I have left—and I may have to re-quote this—the Honourable Jim Flaherty, back in April 2003: "Ontario is demonstrating leadership and foresight with this investment in the MaRS Discovery District. We are also pleased that the federal government shares our vision by matching our contribution to this world-class medical and biotech—"

Mr. Randy Hillier: That's when it was viable, not in default.

Hon. Brad Duguid: "—research centre in Toronto. This initiative will accelerate Ontario's growth in research, innovation and commercialization."

The PCs believed in this investment then. Today, they're suggesting that somehow or another we just throw out our investments to the biotech sector, throw out the vision that MaRS currently has, and not pay any attention to—

Mr. Randy Hillier: Is MaRS 2 insolvent, Minister?

Hon. Brad Duguid: —the fact that we need to continue to grow the economy and create jobs.

Madam Chair, we're going to take a sensible approach to this issue.

The Chair (Ms. Cindy Forster): Your time is up, Minister.

Hon. Brad Duguid: I'll continue to talk about this in the next round, I'm sure. Thank you.

The Chair (Ms. Cindy Forster): Third party: Mr. Hatfield, you've got 20 minutes.

Mr. Percy Hatfield: Minister, for the record, I heard you a little bit ago talk about the high cost of real estate in downtown Toronto, a 10-year plan on renovating the Macdonald Block and aging government infrastructure. For the record, let me offer you the opportunity, should you choose, to move Queen's Park to Windsor. It would be a lot cheaper. Housing is much less costly. You could build a brand new campus. Your square footage for each government employee could be contained closer to the private sector square footage. There are all kinds of ample opportunities, should you choose this offer.

Hon. Brad Duguid: And you have a casino, which Toronto doesn't have.

Mr. Percy Hatfield: Yes. I hope to be able to walk you through there in a couple of weeks—

Hon. Brad Duguid: You just might.

Mr. Percy Hatfield: —and show you the machines that pay out. There are 15 of them, but they're all ATMs.

In the last round of questions, we gave the example of St. Joseph's Healthcare, the West 5th Campus AFP, which only made economic sense as an AFP because the contract was basically doubled over the projected budget because the historical cost overrun of hospitals built the traditional way was set at 95%.

I'll ask again: Can you table the evidence that hospitals in Ontario historically have cost overruns of almost 100%? It's a simple question. Can you table the evidence with this committee that hospitals built the traditional way have historical cost overruns of close to 100%?

Hon. Brad Duguid: I'll refer that question to my deputy. I will just make a preliminary comment. We really are proud of the 23 hospitals we have built in the last 10 years. You would be hard-pressed, I think, to find a government—certainly in recent history—that has been able to accomplish that. Our recent builds, many of them have been through the AFP process. They have been successful to date, on time and on budget, which is important to taxpayers; it's important to those who will be able to use those hospitals.

It's been my view, really, that a patient in a hospital just wants to see their hospital. They are less concerned about the philosophy behind whether there are private-public partnerships helping to build that hospital or not.

I think it's also important to note that without some of the longer-term financing arrangements through AFPs that allow us to do a little more upfront construction in our projects, we may not have been able to build as much as we've been able to build in this province because it would have required more upfront investment. I think

that's important to note as well, that our record level of investment in infrastructure—hospitals, roads, bridges, schools—may not have been quite as impressive were we not able to also engage in the longer-term financing opportunities that are involved with the AFPs.

But I'll move it over to the deputy, now that he's had an opportunity to give some thought to your question.

Mr. Percy Hatfield: Thank you.

Mr. Giles Gherson: Thank you. I think my colleague Chris Giannikos was going into some of the comparators and comparisons that have been made between studies. I think you'll acknowledge that there are a number of studies that are out there and they all take, by definition, a selective view as they're trying to understand the true cost of these projects.

There is a study we have that endeavored to try to understand these cost factors. If I may just turn it over to my colleague, he will, I think, read some of it into the record. It may explain and help elucidate the questions that you've had.

The Chair (Ms. Cindy Forster): Could you identify yourself, please?

Mr. Chris Giannikos: Yes. Chris Giannikos, assistant deputy minister.

The Chair (Ms. Cindy Forster): Thank you.

Mr. Chris Giannikos: Mr. Hatfield, with your permission and your indulgence, I have in front of me a study that was conducted by Timothy J. Murphy: *The Case for Public-Private Partnerships in Infrastructure*, Canadian Public Administration, volume 51, no. 1, March 2008, pages 99 to 126. What I'm going to quote for you is on page 104, at the bottom of the page. It has to do with the discount rate and the cost to capital, and the point that I was trying to make with respect to what is the appropriate rate at which the government should discount differential projects.

Mr. Percy Hatfield: For hospitals or for all projects?

Mr. Chris Giannikos: For all projects.

If I may quote: "Assessing the cost of money between a P3 and a traditional procurement makes a false comparison, since it fails to take into account which party bears the risk. In traditional government procurement, the lower borrowing rate assumes that the project is risk free, which it isn't. The risk is underwritten by the taxpayer. In a P3, however, the risks and potential costs are underwritten by the private sector, albeit compensated by an appropriate return. In other words, in a P3 procurement, the government is paying an insurance premium to protect against the risk of higher costs, rather than self-insuring at a zero premium cost but at a potentially high failure cost. To make an accurate comparison, it is not the cost, but the net benefit, taking into account all factors, that is the most relevant benchmark."

This is just one of many studies that talks about the social discount rate and what is the appropriate social discount rate. It has been a topic of debate in literature and academia for a very long time. What I'm suggesting here is that that debate is going to continue, that you will get

studies on both sides of the equation, and that, at the end of the day, one has to balance between the two.

What we try to do with the AFP is evolve it as much as we can. This is just one area, the discount rate. There are many others.

All I'm trying to say here is that there are many studies that are for, many studies that are against, and I'm a little worried that if we just pick and choose the studies, we're not going to be able to give a fulsome picture of the true complexity of this. My fear is, my trying to answer some complicated questions that you're posing to us in 30-second sound bites will distort what is really a very complicated thing to discuss.

With all due respect, I just wanted to put that on the table. I didn't want to get into a situation for which every study that you provide, I would go and find another study that says the opposite, because there's a large number of studies out there. What we're trying to do is understand the failings of AFP, the benefits of AFP and see how we can improve it over time.

Like I said yesterday, it's not perfect. It also does not account for a significant portion of the government's traditional build, but it is something that we believe it is prudent to pursue because it's about continuous improvement. At the end of the day, will AFP be the final solution to perfect procurement? I don't know. But what we're trying to do is go through it, understand it and improve it as best we can. That is the policy oversight that we provide to IO.

1100

Mr. Percy Hatfield: Thank you for that full explanation. I know we have competing studies and competing experts. But when we deal with a specific example such as the St. Joseph's Healthcare West 5th Campus in Hamilton, are you saying that not only should we pay private consortia up to 100% more than the base budget, as was the case, because of the risk of the cost overrun, but we also have to pay an interest rate higher than the government rate because of the risk of the cost overrun? Both factors that are the basis of the critique of P3s in this country have to reflect the cost of the overrun. Is that correct?

Mr. Chris Giannikos: You have me at a bit of a disadvantage in that you have all the facts and have had time to study them, and I have not. For me to be able to provide a fulsome answer, we would actually need time to go through it and understand it. Again, with all due respect, I can come up with another example that will prove the opposite.

Mr. Percy Hatfield: Another example in this hospital case?

Mr. Chris Giannikos: Another AFP or another hospital can probably do the same, and we would be going backwards and forward here for a considerable amount of time. All I'm trying to say is, if I may be balanced in my response to you, I think the verdict in terms of P3s versus non-P3s is going to be a question of debate for time to come. What we're trying to do is find out what are the best elements of an AFP or a hybrid of an AFP or what-

ever the model may be, so that we can provide the best value to the taxpayer. I am wary of trying to be seen as a 100% proponent of either a traditional model, an AFP or some other form of P3. All I'm saying is, our job is to try and understand and evolve the model that provides the best value for the taxpayer. Your comments in that context are welcome, and studies or examples that you can provide us where you have found that the AFP may not be working would also be welcome for us to understand and use to influence our work.

Mr. Percy Hatfield: Thank you. Would you accept the argument that you are paying a massive overrun premium on all these AFPs?

Mr. Chris Giannikos: I cannot comment on that without further work.

Mr. Percy Hatfield: Let me go back and ask again if you can table with the committee any evidence that hospital cost overruns built the traditional way are 100%-plus. If both overpayment factors have to reflect the risk, it makes it absolutely crucial that you table proof that cost overruns are what you say they are. Right? We should know that based on—the evidence, Minister, that we have is that you're massively overpaying for the risk assumed by these AFPs. I will gladly allow you the opportunity to prove us wrong by tabling the evidence at 9 o'clock the day of our next meeting that the historical cost overruns are what you say they are. I think we should try to look at the evidence that you have and get it in front of us so we can see, finally, just what these overruns are. There's got to be evidence there somewhere. Will you endeavour to do that, sir?

Hon. Brad Duguid: We'll do our very best, as always, and as we indicated. A lot of the information is in a number of different outside-of-government reports that our public servants look at and use to garner their advice, including some of the quotes I believe the ADM was using today. We'll do our best, but I think I've outlined why we have gone the AFP route where appropriate. Not in the extreme—the vast majority of projects are still done through the traditional method. But we've outlined, I think, what our position is on this, and we're aware of your position. We don't expect today to convince you otherwise, and I suspect you don't expect to convince us otherwise. It's a healthy discussion that we're having today. If there's information that we can provide, we'll do our very best to provide it.

At the end of the day some of this information comes from a number of different sources. All the experts in this area don't exist within our ministry. They look at the material abroad, the material available and they give their best judgments, and Infrastructure Ontario gives their best judgments as to how we ought to move forward project by project. It's not an overall, philosophical, everything-has-to-be-done-by-one-particular-method method. They look at it individual project by individual project. We'll endeavour to do our very, very best for you.

Mr. Percy Hatfield: Have you, Minister, heard from the industry that when you bundle huge construction projects and they become such a massive value of construc-

tion, that you are basically eliminating domestic providers—construction companies—because it seems that a lot of the European companies, perhaps being subsidized by their government in one way or another, are the ones that are jumping on Ontario's major construction projects at the expense of local construction companies because of the value of the bundle of the projects?

Hon. Brad Duguid: I can't say that I've heard that explicitly but I may have, through the years, heard concerns often expressed from smaller businesses in trying to get access, in general, to government procurement. We try to make efforts, and we've tried through the years to make efforts to procure at least some of what government does to make it accessible to some of the smaller companies. I wouldn't suggest that there isn't room for improvement there.

What I've heard, of late, is the opposite: The fact that we do consider local experience to be very relevant in the success rates for our projects and relevant in our consideration—not the only consideration but one of the considerations. I've heard from the opposite end, from jurisdictions outside of Ontario, that they see us in an opposite light. But I think we have to strike a balance in these things. I think we're always open to ideas that will ensure that in particular small or medium-sized companies still have access to this work. A lot of them do. They subcontract and work through the consortiums that are built up. Often, they're the ones that end up doing a lot of the work at the end of the day. But I think there's always room for consideration of improvement there.

Mr. Percy Hatfield: Thank you.

The Chair (Ms. Cindy Forster): No more questions?

Mr. Percy Hatfield: Not at this time.

The Chair (Ms. Cindy Forster): Okay.

Hon. Brad Duguid: Madam Chair, maybe on more of a point of order, the deputy just wants to correct the record.

Mr. Giles Gherson: I'd like to correct the record that was in response to Mr. Hillier's question.

Hon. Brad Duguid: Mr. Hillier, the deputy is just correcting the record on a response to one of your questions.

Mr. Randy Hillier: Okay.

Mr. Giles Gherson: You asked me what the name was of the entity that received the loan. I said it was MaRS Discovery District, which is the overarching—

Mr. Randy Hillier: Services, you said.

Mr. Giles Gherson: No, I said MaRS Discovery District.

Mr. Randy Hillier: Okay.

Mr. Giles Gherson: What I should have said was that it is an entity of that—a unit, if you will—that was created for that project, called MaRS Phase 2 Inc.

Mr. Randy Hillier: MaRS Phase 2 Inc.?

Mr. Giles Gherson: That's correct.

Mr. Randy Hillier: I'll have to go through it but, you might know it offhand: Is that a for-profit or a not-for-profit?

Mr. Giles Gherson: It's a not-for-profit.

Mr. Randy Hillier: Phase 2 Inc. is a not-for-profit as well.

1110

The Chair (Ms. Cindy Forster): Thank you.

Okay. So we're going to actually end there—

Mr. Ted Arnott: Point of order, Madam Chair.

The Chair (Ms. Cindy Forster): Yes, Mr. Arnott?

Mr. Ted Arnott: I asked my staff to provide me with the information that the deputy minister indicated was on the Internet. Building Together: Jobs and Prosperity for Ontarians; Ministry of Infrastructure—I assume that's the document you were referring to when you said that it's on the Internet; the 10-year infrastructure plan that the government has said is on the Internet.

To suggest that it is a comprehensive list of all the projects that the government has committed to or approved would be a stretch. You didn't say that, but certainly that's what we're looking for. We're looking for a comprehensive list of the government's 10-year projects that have been approved or the government has confirmed as supporting, and that is not in the public domain, as far as I know.

Hon. Brad Duguid: I'll be happy to let the deputy respond to that as well.

Mr. Ted Arnott: Again, I'm not suggesting—you said that the plan was on the Internet.

Hon. Brad Duguid: No, I understand.

Mr. Ted Arnott: I've got it here, I think. What I'm suggesting is that the plan does not give a comprehensive list.

Hon. Brad Duguid: I'll ask the deputy to refer you to a website that provides the list of major projects that we've been doing. The list of overall projects would be about 11,000 projects, and many of them would be individual projects by individual ministries. So that's not a list that we would have available for you, I don't believe, but I'll refer it to the deputy. It's better to get his response than mine on that.

Mr. Ted Arnott: Yes. Again, that's what we're looking for.

Mr. Giles Gherson: Sorry, I'm afraid I can't add much more to what the minister said. What we have is the 10-year plan. I think we mentioned yesterday that the 10-year plan will be renewed. If Bill 6 is passed, that will be a requirement of the government. It's kind of a rolling plan as the environment unfolds. In terms of precisely the number of projects—for example, I think you were referring to the \$100-billion spend over the last 10 years—that would be in the order of 11,000 projects, some of them quite large and some of them very, very small. They are, as the minister said, for the most part, under the aegis of different ministries. Each ministry tends to, on their websites, have lists of their major projects. The 10-year plan that we referred to also has a list of major projects, but it's not an exhaustive list, for the reasons that I've described.

Mr. Ted Arnott: It's not comprehensive.

Mr. Giles Gherson: Correct.

Mr. Ted Arnott: There's a reference to hospital projects, and I'm aware that there are 160 hospital projects that the Ministry of Health and Long-Term Care are dealing with at their capital branch. Again, it isn't a comprehensive list. We would like to get that comprehensive list of 11,000 projects.

Mr. Giles Gherson: To the degree that the hospital projects are AFP, they are listed in the IO site, where they list the projects that are completed and under way.

Mr. Ted Arnott: Which would be a partial list.

Mr. Giles Gherson: Yes, but it would be the AFP list, which is, I think—

Interjection.

Mr. Giles Gherson: Eighty.

Mr. Ted Arnott: Again, our humble request would be to get that list of the projects. If the government has it, I would hope that all the committee members could receive that.

Mr. Giles Gherson: I'm afraid the answer is: We don't, for the reasons I've described.

Mr. Ted Arnott: You have a number of 11,000.

Mr. Giles Gherson: Eleven thousand, yes.

Mr. Ted Arnott: So there's a list.

Mr. Giles Gherson: I said "in the order of." I can't tell you with any precision the absolute number of projects over the last 10 years. Some are very small and are repair projects or putting gravel on a road in northern Ontario where the Ministry of Natural Resources has sought to do that, and that's not something we would record.

The Chair (Ms. Cindy Forster): You're good, Mr. Arnott? Okay.

We're going to deal with a few housekeeping issues. The members' questions and answers from yesterday and today will be ready from research on Monday for you to review. At the end of today, we have four hours and 30 minutes left for the infrastructure ministry, and at the end of Tuesday next week, we will have one hour.

Interjection.

The Chair (Ms. Cindy Forster): Right. So we will be bringing in the Minister of Transportation and that ministry in the afternoon next Wednesday for roughly an hour—Tuesday morning, infrastructure; Wednesday morning, a little bit of infrastructure and then transportation following that. Any questions?

Mr. Bas Balkissoon: Madam Chair, did you say transportation is just coming for an hour?

The Chair (Ms. Cindy Forster): An hour and 15 minutes.

Mr. Han Dong: For Wednesday.

Mr. Bas Balkissoon: For Wednesday.

The Chair (Ms. Cindy Forster): For Wednesday. We're adjourned.

The committee adjourned at 1115.

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Mardi 14 octobre 2014

Standing Committee on Estimates

Ministry of Infrastructure

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 14 October 2014

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 14 octobre 2014

The committee met at 0903 in room 151.

MINISTRY OF INFRASTRUCTURE

The Chair (Ms. Cindy Forster): Good morning, members. We're here to resume consideration of the estimates of the Ministry of Infrastructure. There are a total of four hours and 30 minutes remaining, but before we resume consideration of the estimates of the Ministry of Infrastructure, if there are any inquiries from the previous meeting that the ministry or the minister has responses to, perhaps the information can be distributed by the Clerk at the beginning of this session in order to assist the members with any further questions. Are there any items, Minister?

Hon. Brad Duguid: I don't think so. No, nothing new.

Mr. Randy Hillier: Madam Chair?

The Chair (Ms. Cindy Forster): Mr. Hillier?

Mr. Randy Hillier: Madam Chair, I'd like to move a motion to the committee for its consideration and adoption. I'd like to move that the Minister of Economic Development, Employment and Infrastructure provide the Standing Committee on Estimates within two weeks a copy of the Ernst & Young report on MaRS.

The Chair (Ms. Cindy Forster): We'll recess for about five minutes while we get copies of this motion.

The committee recessed from 0905 to 0911.

The Chair (Ms. Cindy Forster): Mr. Hillier, do you want to read that into the record?

Mr. Randy Hillier: Thank you very much, Chair.

Chair, I move that the Minister of Economic Development, Employment and Infrastructure provide the Standing Committee on Estimates within two weeks a copy of the Ernst & Young report on MaRS.

The Chair (Ms. Cindy Forster): Comments?

Mr. Randy Hillier: I think this should be fairly evident and intuitive. We've spoken a lot about transparency and openness. The minister has referenced this report on numerous occasions to justify the \$65-million bailout of ARE. It's important that this committee see what is actually in the report so we can scrutinize it as well. The minister has asked on numerous occasions about what we in the opposition would do. As I've said before, we would make our decisions based on facts and evidence. This is key—key—evidence that is important for the committee to have and be able to scrutinize. Thank you.

The Chair (Ms. Cindy Forster): Further debate on this motion? Mr. Balkissoon?

Mr. Bas Balkissoon: Thank you, Madam Chair. You know, I don't have a problem with the motion at all. I think the minister has said it could be made available. But I find the comment from the member—he didn't really expand a whole lot. Because we spent a lot of time last week asking all the questions about MaRS and about this report, and I'm not even sure what information he's missing. But I'm happy to support his motion unless he wants to add some comments so he can put some clarity to this.

Hon. Brad Duguid: Madam Chair, is there any opportunity for me to share with committee some information on this that is relevant to the motion?

The Chair (Ms. Cindy Forster): Minister, you don't actually get to debate in this process.

Hon. Brad Duguid: Okay.

The Chair (Ms. Cindy Forster): It's a motion being debated by the committee.

Hon. Brad Duguid: Maybe one of my colleagues could ask me a question at the appropriate time.

The Chair (Ms. Cindy Forster): Mr. Hillier?

Mr. Randy Hillier: Well, just for clarification, we have received the covering letter to the report but that's all we've seen. That's all the committee has seen. There may be other things, but we've seen the covering letter, and the motion is asking for the complete report.

The Chair (Ms. Cindy Forster): Mr. Balkissoon?

Mr. Bas Balkissoon: Madam Chair, just with your indulgence, I think the minister has answered as many questions as he can about the report and about MaRS. I wonder if there's an opportunity that we could ask the minister to comment on this request.

The Chair (Ms. Cindy Forster): What does the committee want to do? It doesn't seem like we have unanimous consent to allow the minister to—

Mr. Bas Balkissoon: Oh, they were all silent. I didn't hear a comment.

The Chair (Ms. Cindy Forster): Actually, I heard a no from the—

Interjection: Yes.

Mr. Bas Balkissoon: We have no problem unless—

The Chair (Ms. Cindy Forster): Further debate? Mr. Dong?

Mr. Han Dong: Just a quick comment from the minister; I think the minister has something to say.

Maybe it would be helpful for us to make the decision whether or not to support the motion.

The Chair (Ms. Cindy Forster): Is there agreement by the committee to allow the minister to respond? Agreed. Minister?

Hon. Brad Duguid: Thank you, Madam Chair. I appreciate the request. If you do go to my ministry website, you'll find the opinion from Ernst & Young. It is a one-page opinion. They have not submitted a report per se. It's an opinion that was requested of them. I'm happy to read it into the record just so that it's on the record and happy to submit it to committee, although it is a matter of public record; it was actually released the day following the announcement of the purchase of ARE's stake in the project. On September 23, it was posted on the website. So it's available, but it might be helpful just for the record—it's a short four paragraphs—to read it into the record, just so the committee has it here.

The Chair (Ms. Cindy Forster): Is there agreement on that, or would you prefer we just give it to the Clerk so that it's part of the record?

Mr. Randy Hillier: Part of the record.

Hon. Brad Duguid: Okay.

The Chair (Ms. Cindy Forster): Part of the record. Mr. Balkissoon.

Mr. Bas Balkissoon: Madam Chair, the minister has just commented that Ernst & Young has provided this one-page evaluation report to him. Is that the report the member is requesting, or is he thinking there is something more in-depth? Because the minister is saying it's not available. I don't think we should be taking a vote on something that's not available.

The Chair (Ms. Cindy Forster): Mr. Hillier.

Mr. Randy Hillier: Chair, in light of that information—clearly, I understood that there was a substantive analysis and report done by Ernst & Young that supported and gave merit to the government's decision. I was not of the understanding that it was a simple one-page letter. If that is the case, that there is no other report by Ernst & Young, then I'll withdraw that motion from the committee.

The Chair (Ms. Cindy Forster): Would you like the minister to respond to that query at this point?

Mr. Randy Hillier: No.

Hon. Brad Duguid: The member is correct.

The Chair (Ms. Cindy Forster): So you're going to withdraw the motion at this point?

Mr. Randy Hillier: I'll withdraw that, but I do have another motion that I'd like you to consider.

The Chair (Ms. Cindy Forster): Thank you, Mr. Hillier.

Mr. Percy Hatfield: Point of order, Madam Chair.

The Chair (Ms. Cindy Forster): Mr. Hatfield.

Mr. Percy Hatfield: Just on a technicality on the word "report": I wonder if it's within order to ask the minister if he has any documentation whatsoever, be it a report or any other form of transmission, from Ernst & Young dealing with the MaRS issue, the MaRS case file.

The Chair (Ms. Cindy Forster): Minister?

Hon. Brad Duguid: No, I do not. I want staff to also comment on that, just to ensure that—I don't, but I want to make sure you've got the confirmation from staff as well. That's my understanding, that that's what we received from Ernst & Young. It's an opinion, not a report.

Mr. Percy Hatfield: Thank you.

Hon. Brad Duguid: And if I referred to it in the past as a report, that's what we were referring to. It may have sounded like there was some form of analysis that was submitted with it as well. My understanding is, that's not the case.

On the record, if the deputy can—

Mr. Giles Gherson: Yes, that's correct. That's the only document we have.

Mr. Randy Hillier: That is the extent of the report.

Mr. Giles Gherson: Correct.

The Chair (Ms. Cindy Forster): Thank you.

Mr. Hillier?

Mr. Randy Hillier: Thank you, Chair. I move for the committee to consider the following motion: that the Minister of Economic Development, Employment and Infrastructure provide the Standing Committee on Estimates within two weeks a copy of the MaRS business plan which supported the \$234-million mortgage.

The Chair (Ms. Cindy Forster): Comments? Debate?

Mr. Randy Hillier: Chair, again, we've heard about investing wisely, making sound business decisions. The taxpayer now has a liability, a risk attached to the taxpayer, of \$234 million in a non-performing mortgage, a mortgage that is in default, which we found out last week we're paying about half a million dollars a month in interest on.

Clearly, before the government offered up a \$234-million mortgage, there must have been a business plan submitted to the ministry for them to analyze and evaluate to determine if it was a sound business plan to get into the commercial mortgage lending business in downtown Toronto. It would be most appropriate for this committee to have a copy of that business plan so that we may, as well, scrutinize the decision of getting involved in commercial real estate lending by this ministry. Thank you.

The Chair (Ms. Cindy Forster): Further debate? Mr. Balkissoon.

Mr. Bas Balkissoon: Chair, can I ask for a 20-minute recess?

The Chair (Ms. Cindy Forster): What's the recess for, Mr. Balkissoon?

Mr. Bas Balkissoon: To discuss this motion with my staff.

The Chair (Ms. Cindy Forster): Is there agreement of the committee?

Mr. Percy Hatfield: A point of information, if I could: Just before we do that, Bas, I wonder—there are a couple of other motions. Do you want to get them all read into the record so we don't do a 20-minute recess each time?

Mr. Bas Balkissoon: I'm in the hands of the Chair. It's up to her.

The Chair (Ms. Cindy Forster): Is there agreement that we recess?

Mr. Bas Balkissoon: You don't debate a recess.

The Chair (Ms. Cindy Forster): It's by agreement. We're good? Okay, we're on a 20-minute recess.

The committee recessed from 0920 to 0935.

The Chair (Ms. Cindy Forster): So, members, it has not been 20 minutes. Are you ready to start? Further debate?

Mr. Bas Balkissoon: Madam Chair?

The Chair (Ms. Cindy Forster): Mr. Balkissoon?

Mr. Bas Balkissoon: Thank you, Madam Chair, and thank you for the 20-minute break. I had a chance to consult with our staff. In reading Mr. Hillier's motion carefully, he's requesting a copy of the MaRS business plan. I'm assuming the document exists, and if it does, it belongs to MaRS. It would not be in this ministry. If at all, it will probably be in the ministry that is responsible for MaRS. I believe the minister was involved in the financial transaction but would not be privy to these documents. So we're sort of put in a position that we can't support his request.

The Chair (Ms. Cindy Forster): Minister, can you clarify that in fact that document isn't in your possession or your ministry's possession?

Hon. Brad Duguid: Well, let me defer to the deputy so that you have a response from the ministry.

Mr. Randy Hillier: Before he responds, I think—

The Chair (Ms. Cindy Forster): Can we hear what he has to say first?

Mr. Randy Hillier: Well, I think the way the question was phrased was not in keeping with the intent of the motion. So maybe there should be a clarification—

The Chair (Ms. Cindy Forster): All right, Mr. Hillier. Go ahead.

Mr. Randy Hillier: The ministry has loaned out \$234 million. We're not looking for the business plan for all of MaRS's operations or their multitude of agencies and for-profit companies. We're looking for the business plan that the ministry evaluated with respect to MaRS 2 Inc. and the creation and development of the MaRS 2 tower.

Clearly, whenever there is a commercial lending transaction, the lender looks at the business plan for that development, looks at the proposed, forecasted rental incomes, the forecasted expenditures, and then makes a determination whether or not that is a sound plan—sound and viable to advance a \$234-million mortgage, in this case.

What we're asking for is the business plan that was submitted that supported the government giving a \$234-million loan, and to allow this committee to scrutinize that business plan, just as the ministry, I expect, would have done.

The Chair (Ms. Cindy Forster): Minister?

Hon. Brad Duguid: IO does due diligence when they lend out money, and they've lent out in the neighbourhood of, I believe, about \$7 billion over time, mostly to

municipalities, through their lending programs. This is part of that. They do their due diligence, but in terms of business plans and whatnot, to the best of my knowledge—and I'm going to defer to the deputy to confirm that—that's something that, if there is such an analysis that was done, it would be with another ministry. I'll ask the deputy to respond.

Mr. Giles Gherson: Thank you. The minister is correct. The loan, the mortgage, was essentially provided by IO to MaRS. IO obviously does due diligence and has a fairly complex set of analyses for providing a mortgage or any loan to any entity. So that's not something that we are privy to as a ministry.

The Chair (Ms. Cindy Forster): Mr. Hillier?

Mr. Randy Hillier: You've just told me that IO does its due diligence and IO advanced the money, but that IO does not have a business plan? I'm going to ask this committee: How could we have due diligence if there isn't a plan to vet and to examine? To equate MaRS with a municipality is substantially false. MaRS is a not-for-profit charity; it is not a municipal government. Municipal governments have oversight by their constituents and through a host of mechanisms. So equating MaRS as a municipality is totally false.

0940

I just want to be very clear before we go any further on this motion. Am I hearing that the ministry has no documentation, no business plan that they vetted or scrutinized or evaluated to appraise the economic viability of this \$234-million loan to MaRS?

Hon. Brad Duguid: Madam Chair, the committee has me for three and a half hours today, I believe, and longer tomorrow if they wish. I'm happy to respond in depth to any questions they have. But right now we're debating a motion. We've provided a response to committee that I think gives committee the information they need to vote on the motion. My suggestion would be to take your vote and we'll abide by whatever the committee asks. If the opposition has further debate or discussion on this, I'm willing to engage in debate as part of my time before committee.

The Chair (Ms. Cindy Forster): Minister, it's up to the committee as to whether or not they continue debate on the motion.

Mr. Arnott?

Mr. Ted Arnott: Chair, I don't want to prolong this unduly, but surely the government can't expect us to believe that they extended a loan for \$234 million to anybody without an initial application, without the original organization asking for the loan. If they asked for the loan, surely there's documentation related to that, surely there's a business case which shows the potential lender—in this case, Infrastructure Ontario—that they're going to be good on the loan and they're going to be able to pay it back over time. Surely this isn't another situation like the Ontario cricket club, where an organization is informed that there's money about to be handed out, and they ask for \$100,000 and they're given

a million dollars without any proper application. I don't believe that's the case.

I would submit that the government has documentation, that Infrastructure Ontario has documentation, related to this and has a business case. If the government is truly transparent, they would release it to this committee, not two weeks from now but tomorrow.

The Chair (Ms. Cindy Forster): Is there further debate? Mr. Dong.

Mr. Han Dong: Thank you, Madam—

Mr. Bas Balkissoon: Madam Chair, we haven't heard from the deputy. I'm wondering if we could clarify—

The Chair (Ms. Cindy Forster): Mr. Balkissoon, I think it's actually up to the committee to have their debate, and then if we want to—

Mr. Bas Balkissoon: Okay. I thought he was cut off in the middle of his statement.

The Chair (Ms. Cindy Forster): Mr. Dong.

Mr. Han Dong: Thank you, Madam Chair. I'm a little confused. I think I heard that the MaRS business plan or agreement could be discussed—it was dealing with the Ministry of Research and Innovation. I'm thinking that if it's the Ministry of Infrastructure, it's more of a financial transfer. But in terms of a business plan, which ministry it is most relevant to, I think it would be the Ministry of Research and Innovation.

The opposition is trying to paint this picture that there was no due diligence, and they're questioning whether or not the Ministry of Infrastructure had gone through the proper plans and proposals and applications. I don't know; I'm just questioning: Would that fall under the Ministry of Research and Innovation as opposed to the Ministry of Infrastructure? I would like that question to be answered.

The Chair (Ms. Cindy Forster): Mr. Dong, if the \$234-million mortgage came out of the Ministry of Infrastructure, then it's fair to be debating it here.

Mr. Balkissoon?

Mr. Bas Balkissoon: Madam Chair, I would still like the deputy to answer, because I think the way the financial transaction works, in a complex manner, is between this ministry and another ministry, but the actual business dealings and the due diligence is between MaRS and a separate ministry. When that ministry comes here, the request would be relevant. So I'm wondering if the minister or the deputy could clarify that, because I think that's where the confusion is.

The Chair (Ms. Cindy Forster): Is the committee prepared to hear from the deputy at this point?

Mr. Randy Hillier: No. Madam Chair, we did hear from the deputy. IO made the loan, and that's what we're asking for: the business plan that IO reviewed that supported them making the loan to MaRS 2.

The Chair (Ms. Cindy Forster): Could we confirm, Mr. Minister, that IO actually provided the \$234-million loan?

Hon. Brad Duguid: Well, of course.

The Chair (Ms. Cindy Forster): Yes?

Hon. Brad Duguid: Yes. They do due diligence for all their loans that they put forward. The business case being asked for is a different request that is not the purview of our ministry. But the committee is welcome to ask for something. I can't provide something that wouldn't be within my ministry, but I think Mr. Balkissoon stated that. So the committee should vote, given the request.

The Chair (Ms. Cindy Forster): Is there further debate? Okay. Are the members ready to vote?

Mr. Bas Balkissoon: Recorded vote, Madam Chair.

Ayes

Arnott, Hatfield, Hillier.

Nays

Balkissoon, Ballard, Dong, Kiwala, Vernile.

The Chair (Ms. Cindy Forster): The motion is defeated.

Mr. Hillier?

Mr. Randy Hillier: Madam Chair, I have a motion I'd like to move for the consideration of this committee.

I move that the Minister of Economic Development, Employment and Infrastructure provide the Standing Committee on Estimates within two weeks a copy of the \$65-million purchasing agreement between MaRS and Alexandria Real Estate (ARE).

The Chair (Ms. Cindy Forster): Comments?

Mr. Randy Hillier: Madam Chair, again, this is looking into and examining the minister's statements regarding openness and transparency and ensuring that the risks to the taxpayer are avoided—and to invest wisely on behalf of the taxpayer.

We heard last week from the minister that the \$65-million bailout of ARE includes the operations, maintenance and setting of rental rates in the MaRS 2 tower. I'm not sure what else is included in that commitment. It behooves the minister to provide that detailed information to this committee so that, once again, it can be evaluated and scrutinized and so that this estimates committee does its due diligence in ensuring that we properly examine the estimates of this ministry.

The Chair (Ms. Cindy Forster): Further debate? Mr. Balkissoon.

Mr. Bas Balkissoon: I believe the minister and his deputy made it very clear to us earlier, during the questions about this particular agreement, that it's a conditional agreement. Like any other purchasing agreement, the government enters into it—I believe most of these agreements have what I would call sensitive particular information. So what the member is asking for—first of all, there is no final agreement, because the purchase is not finalized; it's conditional. And secondly, it will be sensitive.

I'm wondering if we could hear again from the deputy. Am I correct? If I am correct, then we would be forced to vote no.

The Chair (Ms. Cindy Forster): Does the committee want to hear from the deputy minister on this issue?

Mr. Randy Hillier: Madam Chair, I might add that if there is commercially sensitive information retained in that agreement, then this committee has ways and means to deal with that. We can accept that documentation in camera if there is commercially sensitive information. I would entertain comment from the deputy minister if there is commercially sensitive information and if that agreement would be delivered to this committee in camera.

The Chair (Ms. Cindy Forster): Deputy?

Mr. Giles Gherson: I can say that it contains commercially sensitive information. As Mr. Balkissoon said, it's not a final agreement; it's a conditional agreement, and it doesn't really close until 150 days after September 22, which takes us to February 19, 2015. In the interim, it is not a final agreement, and I think it would be concerning to have any information within it disclosed.

0950

The Chair (Ms. Cindy Forster): Mr. Hillier.

Mr. Randy Hillier: Once again I'll say to the committee that it can be deposited with the estimates committee in camera. But once again we're being asked to vote on estimates in this committee. We're not getting a clear view of what this ministry is spending its money on and how it is making decisions, and we're also not seeing whatsoever what other obligations the taxpayer is on the hook for on this MaRS business. It's—

Hon. Brad Duguid: Madam Chair?

Mr. Randy Hillier: No, no—

The Chair (Ms. Cindy Forster): Minister?

Hon. Brad Duguid: Madam Chair, that is patently false. That is patently false. I've been here already for seven hours and responded to question after question on that—

The Chair (Ms. Cindy Forster): Minister, Mr. Hillier has the floor.

Hon. Brad Duguid: The information is false, that Mr. Hillier is saying, and he should withdraw that.

The Chair (Ms. Cindy Forster): Mr. Hillier has the floor.

Mr. Randy Hillier: Madam Chair, it is necessary for this committee to get this information. We've already seen the government stonewalling on the mortgage—

Hon. Brad Duguid: That's false.

Mr. Randy Hillier: —the business plan on the mortgage. We've seen that the Ernst & Young evaluation is just a sheet of paper, with no independent or in-depth appraisal. And now we're seeing stonewalling on our further obligations with ARE.

Hon. Brad Duguid: False again.

Mr. Randy Hillier: I would put it to this committee that we vote in favour, and I would put that amendment to it, that this documentation be reviewed in camera by this estimates committee.

The Chair (Ms. Cindy Forster): Thank you, Mr. Hillier. Minister, if the government doesn't agree, it's

actually up to the members on the government side to debate Mr. Hillier in this process.

Hon. Brad Duguid: I understand that, but it would be helpful to the process if the member stuck to the truth.

The Chair (Ms. Cindy Forster): Mr. Balkissoon.

Mr. Bas Balkissoon: Thank you, Madam Chair. With due respect of my colleague on the other side, I think the staff has made it very clear and the minister has made it very clear that it's a conditional agreement; it's in process between the two parties. I have a lot of concerns, if we were to inject committees in the middle of every business dealing, what would be the final impact to the general taxpayer. Personally, I think it could affect it in a way that the cost of everything will go up. Of all the years I've been in government, and of all the years I've been in municipal government, we allowed the staff to do their work. At the closure of a particular agreement or a particular transaction, yes, we're within our rights to question it and to look at the details. I think what Mr. Hillier is asking for at this current time is something that the government cannot support, so if you would take the vote, we'd be forced to vote against it.

The Chair (Ms. Cindy Forster): Further debate? You're ready to vote on the issue?

Mr. Randy Hillier: Recorded vote.

Ayes

Arnott, Hatfield, Hillier.

Nays

Balkissoon, Ballard, Dong, Kiwala, Vernile.

The Chair (Ms. Cindy Forster): The motion is defeated.

Mr. Randy Hillier: Madam Chair, I have one further motion I'd like to move for the consideration of this committee.

The Chair (Ms. Cindy Forster): Mr. Hillier.

Mr. Randy Hillier: I move that the Minister of Economic Development, Employment and Infrastructure provide the Standing Committee on Estimates within two weeks a copy of the MaRS mortgage agreement.

The Chair (Ms. Cindy Forster): Any debate? Mr. Hillier.

Mr. Randy Hillier: Again, as should be evident from the questioning and the debate that has gone on so far this morning, this loyal opposition is doing its job of scrutinizing the government's actions, examining what they're doing with the taxpayer's purse and how they are doing it.

All three motions now have been lost. Even though they talk a good talk about openness and transparency, we're not seeing anything about transparency, anything about openness, and they are preventing the public from seeing how the minister is spending their money.

I would ask this committee once again to vote for openness and transparency, and ensure that this commit-

tee has the relevant documentation, so that we can make informed decisions when it comes time to vote on these estimates. Thank you.

The Chair (Ms. Cindy Forster): Thank you. Mr. Balkissoon?

Mr. Bas Balkissoon: Thank you, Madam Chair. I think, again, that what the member is asking for may not exist in this ministry. It may exist in another ministry, because MaRS and another ministry are the ones that had the business dealing. This is the ministry that provided the financial transaction.

The other thing that is very concerning to me on this particular motion—again, I would have to vote against it. Most agreements have commercially sensitive information on them. If this exists in another ministry, when that ministry appears before us, I think the member has the right to request it and let the relevant minister answer, but in this particular case, again, I don't believe it rests in this ministry. We on the government side will be voting against the motion.

The Chair (Ms. Cindy Forster): Further debate? Mr. Hillier.

Mr. Randy Hillier: It does, with this ministry. It's on the record. It has been clearly stated that it is this ministry that advanced the \$234-million commercial mortgage on MaRS 2—no other ministry. No other red herrings are needed.

This ministry advanced the money. This ministry must have the documentation that justifies and supports their decision to advance money. We know this loan, this mortgage, is in default. Another ministry is picking up the tab of half a million dollars a month in interest, and we're being kept in the dark on any of the actual dealings with MaRS.

The motion stands. I think it's, again, incumbent—if the government members of this committee truly believed, when they ran in the election, that they were running for an open and transparent government, let's demonstrate to the people of this province that you meant what you said.

Mr. Han Dong: Madam Chair?

The Chair (Ms. Cindy Forster): Mr. Arnott has the floor.

Mr. Ted Arnott: Chair, I just want to indicate my support for the motion. I think it's reasonable and sensible. As my colleague pointed out—and it has been confirmed, I think, by the deputy minister and the minister—it was Infrastructure Ontario that initially lent the money to MaRS.

As a result of a freedom-of-information request that the Toronto Star published last week, it is now apparent and evident that it's another ministry—I believe it's the Ministry of Research and Innovation—that is picking up the tab of interest in the amount of \$450,000 per month, a highly unusual arrangement which again leads us to ask these questions as to what exactly has been agreed to.

I think it is in the public interest—and I would think that the government members, in terms of their respon-

sibilities as members of the Legislature, would want to see that agreement as well.

This agreement was made, obviously, some time ago. To suggest that there is sensitive commercial information in the agreement, and that the agreement has not been finalized, is not correct. Certainly, it's information that should be made public. When we're talking about this amount of taxpayers' money, surely, in the interests of transparency and scrutiny on the part of this committee, the committee should have this report. So I'll be voting for the motion.

The Chair (Ms. Cindy Forster): Thank you. Mr. Dong?

Mr. Han Dong: Thank you, Madam Chair. I'm new to the Legislature and this committee. Today I listened to the debates, and I feel that the members opposite tried to frame the government as hiding something, and it looks like they're looking for something again.

Just to answer his question: Yes, I did run because I believe in this party and this government, and I believe in its policy on openness and transparency. So he's clear.

I'm a little surprised that the member is suggesting that when a government is entering into an agreement with another party, just like two people doing business—you don't expect one side to disclose information when the agreement is not finalized, because if you do that—he is suggesting putting taxpayers on the hook for a potential legal suit. I hope that's not what he's suggesting.

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I support openness and transparency, but at the right timing. I think right now in this committee, the minister has come forward and answered all of the opposition's questions. We just voted for a motion he—oh, actually, it was withdrawn. Sorry. We said that we were going to support it if that was the proper term, the report, but it turned out it was an opinion paper. I think we've shown our willingness and our intent to be as open and transparent as possible and to provide this committee with all the documents that are available. But what he is asking is commercially sensitive and I think is potentially going to put taxpayers at risk for a big lawsuit.

The Chair (Ms. Cindy Forster): Thank you, Mr. Dong. Mr. Hatfield.

Mr. Percy Hatfield: I was just going over the mandate letter to the minister from the Premier during the course of this discussion, where it talks about accountability and openness. It says that the minister will conduct the business of the ministry “through the lens of fiscal prudence” and that, “We will choose to invest wisely.” It seems to me that part of the role of this committee is to determine whether the investments made have been wise investments.

The Premier says, “You will coordinate the province's investments in world-class infrastructure.” I think we're talking about a world-class infrastructure file, the MARS file. Nobody doubts the merits of the case if we can get to the bottom of whether the assets are substantiated in the investment that was put forward. The Premier says to the minister, “I ask that you ensure that public infrastructure

investments encourage the adoption of approaches that maximize the value of our infrastructure dollars and minimize the long-term cost of maintaining infrastructure assets." I think what we're trying to do on this side is get to the bottom of whether this is a good deal.

To get to the bottom of the good deal—I don't know if there's a clause in there that says, "Don't tell the taxpayers of Ontario about this deal," but if there isn't, then we should find out how much ARE had invested, and did they get dollar for dollar back or more on a business venture that wasn't going anywhere? They were losing money. Did they get every penny back or did they take 10 cents on the dollar? That's the kind of information I think some of us are looking for. We want to know if indeed what was put into this project is in the interest of the taxpayers.

Some of the questions put forward today would give us that information so that this committee can decide. I don't see how withholding the information or voting against the motion advances the lens of fiscal prudence. We just want the accountability and the openness, and I can't say it any more clearly than that.

The Chair (Ms. Cindy Forster): Thanks, Mr. Hatfield. Further debate? Are the members ready to vote on the motion?

Mr. Randy Hillier: Recorded vote.

Ayes

Arnott, Hatfield, Hillier.

Nays

Balkissoon, Ballard, Dong, Kiwala, Vernile.

The Chair (Ms. Cindy Forster): The motion is defeated.

We're going to resume consideration of vote 4001. When the committee last adjourned, the third party had finished its rotation, so I turn the floor over to the government for 20 minutes. Mr. Ballard.

Mr. Chris Ballard: It's very good having the Minister of Infrastructure here today. I know, coming from a small municipality—there are two towns within my riding, Newmarket and Aurora. Newmarket is 86,000 people and Aurora is about 56,000 people, so both of them would be considered small municipalities. I know how difficult it can be, especially when you have towns as old and as historic as Newmarket and Aurora, to both put in place the new infrastructure that's required in growing municipalities as well as maintain the infrastructure, some that was built 100 years ago. As a municipal councillor, it was always very difficult to juggle new infrastructure, new sports fields, whatever, versus things that aren't very sexy, like replacing the sewage pipes. However, when the sewage pipes break, everyone talks about that.

I'm just wondering if you can talk to us and explain—because I know, in your opening comments, you made reference to new funds that will be made available. You

made reference to discussions and partnerships with AMO that sound very interesting. I'm wondering about Ontario's commitment to infrastructure that was outlined in this year's budget and how that's helping us to grow our economy.

Hon. Brad Duguid: Thank you, Mr. Ballard, for that question. I know how important infrastructure is to a growing community like the one that you represent, as it is to communities right across the province. Whether it's small towns, whether it's large towns, whether it's remote rural communities, infrastructure impacts our quality of life significantly. It impacts our ability to get around. It has impacts on the safety of our drinking water and the safety of our roads and bridges. It has so many different ways of impacting the quality of people's lives, while at the same time it has a huge economic impact as well.

I've said to committee in the past why I think it was a very wise decision on the part of the Premier to put the economic development portfolio side by side—combined—with the infrastructure portfolio, so that our economic policies can be very much intermingled with our infrastructure decisions so that we're getting maximum value for our residents in Ontario with those decisions, which means job creation when an infrastructure project is built. In our case, we're looking at supporting 100,000 jobs, I believe, every year as a result of these infrastructure investments over the next 10 years.

It's a significant economic stimulus to a fast-growing community like Barrie. It's very, very important to have that kind of stimulus, because I know it's a community that's working very hard to attract economic development. I know that you, as well, are working very hard, in partnership with your city, to provide leadership in that area, and I commend you for that.

Our infrastructure investments since 2003 have been record amounts: \$100 billion spent, again, on roads, bridges, highways, public transit, water/waste water, as well as other infrastructure needs that have been identified by municipalities. We've made a significant commitment over the last 10 years.

Going forward, our commitment is even greater. Even during challenging fiscal times—and I think it ought to be noted, from time to time, just how important infrastructure is to us—we're making a choice to invest \$130 billion in infrastructure over the next 10 years, again in our roads, bridges, public transit, water/waste water, and other major infrastructure needs across the province. This includes about \$12.8 billion in 2014-15 alone. This isn't something we're doing 10 years from now and making a \$130-billion announcement to say, "We're going to spend most of it in the back end." This is something we are investing in as we go, which is significant.

Some \$29 billion over the next 10 years will go towards public transit and transportation infrastructure, which is important to all Ontarians. Sometimes we think of ourselves as having different needs across the province. Well, it's important to Ontarians in the city that our roads and bridges across the province are safe. It's

not just a rural or northern or outside-of-the-GTHA concern. It's important to all of us, because all Ontarians drive on those highways. People living in downtown Toronto—or Scarborough, where I'm from—also want to know that when they're going up north or travelling across the province, they're travelling on good, safe roads and bridges.

Vice versa is true as well. People who live outside of the greater Toronto and Hamilton area or those other urban areas, like Kitchener-Waterloo or Ottawa, that are investing in public transit significantly want to know when they go into those cities—and many do—or when their children come to those cities, perhaps to go to school sometimes, that they're going to be able to get to and from school, that they're going to be able to get around.

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It's also important to the entire province when you look at the economic impacts of those investments. The fact of the matter is, gridlock is costing us billions of dollars, and by "us"—not just the people in downtown Toronto or the suburbs, in Scarborough, North York, Etobicoke, East York and the greater Toronto area, the 905. It's not just those communities that suffer when our economy is impacted; it's all of us. So the \$15 billion that we're investing over the next 10 years in public transit in the greater Toronto and Hamilton area is a significant investment for the entire province as well. I think it's important to sometimes make those comments because I think it helps us to get out of the parochial view of infrastructure investments. We're investing across the province. We're investing in the north, the southwest, the east, the greater Toronto and Hamilton area and central Ontario significantly. All of those investments that we make help everybody across the province. We talk about this a lot. We try to bring people together. We try to have unity across the province and we talk about one Ontario. It's more than talk when it comes to this government. We believe it. That's why we believe these infrastructure investments are important to each and every one of us.

Something important to communities across the province, as well, are the Ontario community infrastructure program investments—and we announced that at AMO. There are actually two programs there. There's our own that we're doing independently. That's \$100 million per year for municipalities. Not all municipalities will qualify—most do, in the north and rural municipalities. It's geared more to some of the smaller ones, but rural and northern municipalities that are maybe a little larger would also qualify for that. That's a significant investment, and that contributed to the very good support that we received at AMO for that announcement. But it's not just the size of the investment that I think matters; it was the fact that we listened to our municipal partners. I use the word "partners" deliberately. They're duly elected levels of government, our colleagues on municipal councils and our respective mayors, who, in another couple of weeks, are seeking re-election—we'll soon have their council stabilized again. As these infrastructure invest-

ments roll out, we're doing it their way, because we respect their opinion. That's why half of the investment that we're making now is going through a formula-based approach. It's maybe not so great for us politically because there might be a few less ribbons for us to cut and a little less control in terms of where those dollars are going. They may not be going to areas that give us the "political" advantage that some infrastructure projects in the past might have focused on. But they're ensuring that we—do I have more time, Madam Chair? You're looking at your watch.

The Chair (Ms. Cindy Forster): You do.

Hon. Brad Duguid: How much more time do I have?

The Chair (Ms. Cindy Forster): About eight minutes.

Hon. Brad Duguid: Well, I've got a lot more to say.

It is important for government to listen to our stakeholders. It's important for us to listen to our people. In this case, our stakeholders are municipalities. They've asked to have more attention given to a formula-based approach. What that means is, they will qualify for certain amounts of infrastructure dollars that they can put in to a number of different priorities that they have, rather than us dictating, "Every dollar we give you is going to go to whatever our priority of the day is." That's important. There are a number of us, even on this committee, who have served on municipal councils. In the past, what would often happen is a municipality might have their 10 most important priorities lined up, but the provincial and federal governments of the day—in this case, this is provincial money, but often it's federal and provincial money that comes into these programs. We work with the federal government to determine what our priority of the day is, and right now for us it's probably building public transit, roads and bridges. That seems to be what the needs are right now, what the gap in infrastructure is. There's other important infrastructure, but that's where a lot of our attention is going at the moment. It may well be that in some municipalities that's not their top priority. Or they may be well looked after in those areas, that they want to be able to ensure that their priorities are met as well. And it's only fair for that to happen. I've seen municipalities—and even in my days in Toronto—where your number one priority for you and the people you represent may be something that a federal-provincial program isn't covering.

It may not be the prioritized view or reason for that particular federal-provincial program. Maybe it's affordable housing; maybe it's building a much-needed community centre for young people who are at risk or who need a place to go; maybe it's water/waste water or some of the other important core infrastructure needs. We want to be able to, where we can, give municipalities the ability to make those decisions, give them the respect to be able to set their own priorities. At the same time it's really important that as we are putting together asset management plans for the province, we need our municipal partners to continue to do the same as well, because in the past that wasn't always the case.

We want to make sure that municipalities like us—we've got our 10-year capital plan—are planning ahead as well and managing their assets and making the proper investments in their assets to maintain them so that we don't have crises where the province and federal government are called on an emergency basis to come in and assist a municipality because a bridge might be collapsing or a water/waste water treatment plant is in jeopardy or something like that. You want to plan ahead for that.

We're at an age through a lot of our province—I mean, I look at my own community; and yours is a little younger, but it's not that much. A lot of our facilities are about 50 years old now. A lot of municipal infrastructure is about 50 years old. That's the age where you need to do some pretty significant reinvestment in your infrastructure. So those municipal asset management plans? Very, very important for municipalities and for us, so that we know that we're getting the best investments out of the dollars that we're putting into those municipalities.

So when they have those asset management plans in place, it gives us a greater level of confidence that we can put a formula-based program in place and we know that it's going to go to those programs that are planned and have been planned for some time, that there's been due diligence put to them, and we know that the dollars are going to go to the best use of those respective communities. So that's something that we're proud of, not so much just because of the very significant investment we're making—and it is significant—but the way we are doing it. And sometimes the way you do things is just as important as what you're doing. In this case, that's why, for those of you who did attend AMO, you would have recognized a very, very warm welcome for our Premier and a very warm response to the work, not only that the government has done in the past, which has been significant, by uploading from our municipal partners significantly over the last 10 years, but also to the way we're doing infrastructure to keep in mind the needs of municipalities.

I don't know if there's much time left, but I'm certainly open to further questions.

The Chair (Ms. Cindy Forster): Mr. Ballard?

Mr. Chris Ballard: As a former councillor, I know in the town of Newmarket and Aurora both communities have very mature and growing asset management plans, and it's very comforting to see this arrangement put in place through AMO. You well know that as a councillor sometimes you feel there's a bit of a paternalistic relationship between upper-tier government and municipalities, so I think this will allow municipalities to set and to fund the priorities according to their individual needs.

I was also struck by your opening comments the other day. I think it's interesting to talk about billions and hundreds of millions, but one thing that stood out in my mind was a number of statistics you gave us about 7,900 kilometres of roads that has been funded to be built or rehabilitated; 650 schools, I believe, under construction or built; 23 new hospitals. That sort of thing—when I talk to residents of our riding, those are very concrete things

that this government is funding and people are quite impressed by. So thank you for that and thank you for your comments.

The Chair (Ms. Cindy Forster): You've got about three minutes.

Hon. Brad Duguid: It's work that we're all doing together. I'd love to take credit for all that, but I can't. As I've said to committee in the past, the actual line ministries set the priorities in discussions, obviously, with the finance minister in terms of how much capital spending we can incur at any given time. Our role, more or less, is to work with those front-line ministries to deliver those projects. There are exceptions to that, but for the most part that's how our ministry functions within government.

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I say that to you because you all have your own individual needs in your community. I'm happy to hear you out, but I just want to make sure you know that the Minister of Infrastructure doesn't have all the levers to be able to prioritize those projects. That's really done by the front-line Ministries of Health, Training, Colleges and Universities, Education and other ministries as well that have capital dollars to put forward. We work with them, though, so I'm happy to hear what your priorities are and certainly want to know, as these projects are being built. I say, though, every time you put a shovel in the ground, there is some element of risk to projects. What we're trying to do is establish a very professional approach.

That's what IO really does. It's considered certainly the model for North America, if not internationally, for how to build municipal infrastructure projects. Our AFP model is seen as having been successful in a number of circumstances in offloading some of the risk that would have been on the taxpayer when we build those projects, so that's something that we want to continue to be leaders in, not just the AFP but in building infrastructure as much as possible. I would say it's impossible to get it 100%, but as much as possible delivering projects on time and on budget. Our track record has been very good over the last 10 years compared to governments of all stripes, but compared to even governments across North America, we've done a good job doing that. But it's an ongoing challenge.

We rely on the professionals at Infrastructure Ontario—and they are professionals—to continue, as much as possible, to evolve these models to ensure the public interest is served and to ensure that the dollars we're investing are getting invested in ways that our projects are being built within cost estimates. That's important because I think it increases public confidence in our investments in infrastructure—

The Chair (Ms. Cindy Forster): Thank you.

Hon. Brad Duguid: —but I always have to say with some caution—

The Chair (Ms. Cindy Forster): Minister, could you just wrap up?

Hon. Brad Duguid: Sure. I always have to say, with some caution, any time you put a shovel in the ground,

there's an inherent risk involved, and not every project will go as planned. In fact, most construction projects of any type will have challenges. The key is to make sure you're always addressing those challenges in the most professional way possible.

The Chair (Ms. Cindy Forster): Thank you. We move to the official opposition: Mr. Miller for 20 minutes.

Mr. Norm Miller: Thank you, Chair. It's a pleasure to be here with the committee today just after Thanksgiving. I'm pleased to switch the focus a little bit, as the northern development and mines critic, to something the government has been speaking a lot about, and that certainly infrastructure is key to, and that is the development of the Ring of Fire in northwestern Ontario. The government has been talking about the Ring of Fire for some seven years and has done a lot of talking but really has not much to show for it so far.

I go back to a press release from over two years ago—May 9, 2012. You would have thought that a mine was about to open because the title of the press release is: "Thousands of Jobs Coming to Northern Ontario."

"Cliffs Natural Resources has announced a \$3.3-billion investment to build a chromite mine, transportation corridor and processing facility in northern Ontario's Ring of Fire that would lead to a new generation of prosperity in the north, with thousands of jobs and new infrastructure.

"The Ring of Fire represents one of the most significant mineral regions in the province, and includes the largest deposit of chromite ever discovered in North America. The chromite found in this area, 540 kilometres northeast of Thunder Bay, is a key ingredient used to create stainless steel."

There are some good quotes, including one from then-Minister Rick Bartolucci: "Ontario is blessed with an abundance of natural resources at a time in history when the world is developing faster than ever and demanding these resources. We are taking advantage of this incredible opportunity in the Ring of Fire to further open up northern Ontario by bringing thousands of jobs, new infrastructure and economic opportunities to cities, towns and First Nations' communities." That was Minister of Northern Development and Mines Rick Bartolucci.

You are also on this press release, and you're quoted as saying, "This is great news not only for the north, but for the entire province. This reaffirms our position as a global leader in mineral investment. The number of jobs created and positive economic impacts will benefit Ontarians for years to come"—Brad Duguid, Minister of Economic Development and Innovation at that point.

Minister, there has been lots of talk but very little to show for it. One of the key challenges with this project, as you point out in this press release, is that it's in a very remote area—540 kilometres—so infrastructure is key to moving it forward, in particular either road or rail connection and power to the site.

I'll start by asking a general question. What are you doing as minister to make that necessary key infrastructure a reality?

Hon. Brad Duguid: I thank the member for the question. I know he has had keen interest in this. He has asked questions in the Legislature on this in the past.

I think all of us want to continue to do everything we can together to make sure that those minerals get to market when the private sector is able to deliver that and the commodity is at a price that builds that investment. In the meantime, we have to continue to do everything we can as a province. Our Minister of Northern Development and Mines has taken an incredible leadership role here in Ontario, in the absence of a firm commitment from the federal government, to ensure that this government is committed to investing \$1 billion in infrastructure projects that will aid the development and extraction of the resources found in the Ring of Fire. This is an important commitment to make.

I always say, and the member has been involved in mining issues in the past so he's aware that the government—we're not the miners. We don't control the international commodity markets and the investments that are made in the mining companies that ultimately build the mines. Our role here, I believe, and I think the member would probably agree, is to do what we can to facilitate the opportunities here to ensure, as much as possible, that the jobs that are created from this incredible opportunity in the north are there for people from the north as well as people across the province.

This is a nationally significant resource, and it's something that, while we've put forward a \$1-billion commitment for infrastructure—and I know the member would probably join our government in continuing to urge the federal government to at least match that, as they do in other big resource opportunities across the country.

Just to provide further information, and the member is probably aware of this, we've recently formed the Ring of Fire Infrastructure Development Corp. They'll be working with all key partners to drive smart and sustainable development in the Ring of Fire. That's significant because it's important that we're working with stakeholders on this matter.

I'll certainly be happy to speak further to it if the member has supplementaries.

Mr. Norm Miller: Yes, I did want to ask about the Ring of Fire development corporation because it's something you've talked about at length. It was promised by the Premier to have it up and running within 60 or 90 days. That was done, but it was done—basically, four civil servants were appointed to the interim board of directors.

There's already the Ring of Fire Secretariat. Now you've created this development corporation—the start of it; I wouldn't say too much has really happened. What's the division of responsibility between the Ring of Fire Secretariat and the development corporation? Are they doing the same thing? Can you explain what each is doing?

Hon. Brad Duguid: That kind of question would need to be responded to by the Minister of Northern Development and Mines. It's not really within the purview of my ministry. I would encourage the committee to, if they haven't already, call the Minister of Northern Development and Mines if they want to delve further into the Ring of Fire investments. From my perspective, ultimately, when infrastructure is identified as a priority—and, as I've said to the committee in the past, our role as infrastructure is to deliver those infrastructure projects rather than prioritize them. We'll certainly be there to ensure that, as much as possible, those projects are delivered on time and on budget, but any details about the Ring of Fire Infrastructure Development Corp. and the secretariat that the member is referring to would really need to be responded to by the Minister of Northern Development and Mines.

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Mr. Norm Miller: So does that mean to say, then, that you can't answer a question like how much these four interim directors of the Ring of Fire development corporation—what they're going to be paid in the next year?

Hon. Brad Duguid: I would have to check with the deputy. To the best of my knowledge, that's not likely part of our estimates or expenditures, but I could stand to be corrected on this, so before I give you a definitive answer, I'd defer to our staff to determine if, in fact, there is some form of a financial connection from our ministry to that committee. I'd have to confirm with the deputy to determine if that's the case.

Mr. Norm Miller: Well, as well as appointing these public servants, the ministry has engaged the services of a management consultancy with Deloitte LLP. Can the minister advise how much has been spent on consultants in the last year, and how much it anticipates spending in the next year, to bring the Ring of Fire project forward?

Hon. Brad Duguid: Again—and I'm not trying to, in any way, be evasive to you on this—those are areas where the lead has always been the Minister of Northern Development and Mines, and I would not be able to provide you with detailed information on that. Certainly the Minister of Northern Development and Mines, I would think, would be in a position to do so if you wish to request information of him in that respect. Deputy, I don't believe there's a further connection to our ministry there, but—

Mr. Giles Gherson: No. The only thing I would clarify is that there are four assistant deputy ministers, I think you referenced, on the board of the development corporation, and it's not the practice of the government to add remuneration to public servants who are performing in that capacity.

Mr. Norm Miller: Okay, thank you for that. I think that was the commitment that was made in the election, but it's an interim move. It's my understanding that this interim board isn't going to be making the key decisions—whether it's going to be rail or road, whether it's going to be an east-west connection or a north-south connection—that that's not going to be done until what I

believe is called a “mature board” is put in place. So do you have a timeline for when the mature board is going to be put in place?

Hon. Brad Duguid: Again, I don't think it would be appropriate for me to respond to questions that really the Minister of Northern Development and Mines would be responsible for. I would prefer that those questions go to the appropriate minister. I recognize how important this is to the member, and I recommend that he ask those questions to the appropriate minister.

Mr. Norm Miller: So your ministry doesn't know, really—I mean, the government has \$1 billion being committed towards the Ring of Fire, mainly for infrastructure, which is key. You can't tell me, at this point, whether it's rail or road, whether it's north-south or east-west or both?

Hon. Brad Duguid: I think the Ring of Fire Infrastructure Development Corp. has just been formed, and that's the work that they'll be doing, and, as well, working with stakeholders. There are two key stakeholders here. There are the aboriginal people of the north, whose respectful territory some of this will be taking place on. They are a very important stakeholder, and the appropriate time and respect must be given to working through arrangements with First Nations people. Secondly, there is the private sector, who are the ones who ultimately make the significant investments to develop mines, and their infrastructure needs need to be front and centre, obviously, because one wouldn't want the province to move ahead and make an arbitrary decision that's not going to meet the needs or be as competitive for those that want to invest in the Ring of Fire.

We are the government that stepped up here. There's no question about it: We stepped up. We've come to the table with a billion-dollar infrastructure commitment that's significant. At the end of the day there's still a lot of work to be done from the private-sector perspective in terms of the timing. Much of this will be determined by that.

What we have done is attempt to bring all stakeholders, as much as possible, together under the auspices of the Ring of Fire Infrastructure Development Corp. That work will continue. It has just been formed, so I think it's something we'll need to let be able to get together, get formed and do its work.

Mr. Norm Miller: So any estimate on the timeline when the mature board that's going to make the real decisions is going to be in place?

Hon. Brad Duguid: That kind of question I would put to the Minister of Northern Development and Mines. I'm not aware whether he has that estimate or not. I'd be surprised if our staff here today would have that kind of information because the lead really is the Minister of Northern Development and Mines on that.

Mr. Norm Miller: Okay. You mentioned First Nations. It was reported in September, just a few months after announcing the framework to negotiate with northern Ontario First Nations to develop the Ring of Fire, that several chiefs are concerned that the provincial govern-

ment is failing to honour the deal by simultaneously working towards issuing expiration permits to the mining companies. A number of them have written to the government. Can the minister tell me how many of the nine Matawa First Nations involved in the talks have written to the province asking them to stop the pending permits while talks are underway with the First Nations?

Hon. Brad Duguid: No. Our ministry, to the best of my knowledge, has had very little, if any—I don't believe any—involvement in those issues or those discussions to this point in time. I do know from past experience as a former Minister of Aboriginal Affairs that we remain fully committed to working with our aboriginal partners in ensuring, as these and other projects move forward in their traditional territory, that they're treated with respect, that the opportunities that arise from those projects benefit their communities, and that we develop partnerships and work with them for the betterment of Ontario but for the betterment of their communities as well.

Those kinds of discussions sometimes take time, and it's important that we take the time to get them right. They sometimes will hit road blocks from time to time, and that's okay too; we understand that. But we remain optimistic that this government has a relationship with our First Nations people that is second to none across the country. We'll continue to work very, very closely with them.

That kind of direction comes from on high in this government, because our Premier was a very dedicated, successful and respected Minister of Aboriginal Affairs, as well. So I think that helps us; but it is, and the member I think would understand, a piece of ongoing work that's to be continued.

The Chair (Ms. Cindy Forster): Mr. Miller?

Mr. Norm Miller: Yes, so part of the big discussion is whether it will be rail or road. In northern Ontario the government agency for rail is the ONTC, the Ontario Northland transportation corporation. Have they been engaged in the discussions about access to the Ring of Fire?

Hon. Brad Duguid: I wouldn't know; I wouldn't be able to answer that.

Mr. Norm Miller: Okay, we'll switch. You've talked a fair amount about the need for the federal government to participate. It's my understanding that the federal government has been clear that their funding would be tied to specific projects and precise goals. So my question to you is, do you have a business plan that the federal government would see and would buy into and, hopefully, then participate in?

Hon. Brad Duguid: Well, I would have liked to have seen a better commitment from the federal government than that. We've come forward with a billion-dollar commitment here, and we've asked the federal government to at least match that. They've come forward with virtually nothing. They've shown no action on this file at all. They have mentioned it a number of times, they've talked about it a number of times, but the fact is that this

is a project of national significance. I would hope that just because it's in Ontario, this project of national significance doesn't take a back seat in federal decision-making. I would hope that there would be a level of enthusiasm federally to see this project develop.

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I know how supportive the member is, and our members are as well, in seeing this developed for the job creation potential and economic development opportunities that exist here. It would appear to me that the federal government, despite our continual efforts, have been less than enthusiastic about committing, as we have, to participating in infrastructure partnerships here. It's tempting on our part to make our commitment conditional in order to bring them to the table. At the same time, we want to bring as much stability as we can to those who want to invest in this project, which is why we've said that our commitment stands. But I think all of us on all sides of the Legislature have an obligation to Ontarians to do everything we can to convince the federal government to commit as strongly as we have to making those investments.

Mr. Norm Miller: So part of the—

The Chair (Ms. Cindy Forster): Mr. Miller, you have about three minutes left.

Mr. Norm Miller: Okay. Thank you.

Part of the nature of my question was to get to the tangible specifics of what the federal government might contribute towards. If I were them, I'd want to know what I was going to match my funding towards, so that's why I've been asking about specifics. What tangible, specific projects, goals and business plan do you have to get the Ring of Fire open? It has been talked about now for seven years, and I still am not really hearing anything about substantive progress that gives me confidence, or, if I were a mining company, would give me confidence that this is going to happen any time soon. I don't even know when the mature Ring of Fire development corporation is actually going to happen.

Hon. Brad Duguid: Well, I would say that if the federal government were to make a similar commitment to ours, which is to invest a billion dollars on top of ours in infrastructure, that would certainly give mining companies much more comfort. These are significant investments that are going to be required.

The member knows that the challenge we have today is that those private companies still need to determine the best form of infrastructure that they're going to require in order to extrude these resources, and where. So those projects are still at a stage where the private sector has yet to determine exactly what their needs are. It would be, I think, extremely unwise for the province to make those determinations before the private sector determines what their needs are going to be; otherwise, we might be investing in the wrong infrastructure, and we wouldn't want to do that.

But the key is that the investment is there. The investment is there from us. It's not there from the feds—

Mr. Norm Miller: Minister, this could go on for years. We've already lost Cliffs Natural Resources. They are basically selling their investment. They were the biggest player in the Ring of Fire, and I think the lack of progress was a huge factor in them leaving the province.

You have Noront, who, when I talked to them four or five years ago, were very clear that their preferred option is a road going from east to west, connecting the First Nations etc., yet we still see very little progress. I don't get a lot of confidence that much is going on, and infrastructure is key to developing the Ring of Fire.

The Chair (Ms. Cindy Forster): Thirty seconds.

Hon. Brad Duguid: Well, there's no question—I mean, this province has been there when it comes to the Ring of Fire. The Minister of Northern Development and Mines has been a fantastic leader in this process. The mining community—and I talk to them on a regular basis—are very impressed with the fact that we've made a billion-dollar commitment to build infrastructure.

But the fact of the matter is that the government is not in the mining business. That's what the private sector is in, and they will make their decisions based on commodity prices. We are there to do everything we can to facilitate the development of this great opportunity. It would really help to have the PC government at the federal level as engaged as we are, because that would double down on the significant infrastructure investment that we've placed on the table.

The Chair (Ms. Cindy Forster): Thank you, Minister. Third party: Mr. Hatfield, 20 minutes.

Mr. Percy Hatfield: Thank you, Madam Chair. Good morning again, Minister.

Hon. Brad Duguid: Good morning.

Mr. Percy Hatfield: I want to go back to some old ground that we've been working on, on the MaRS bailout. In January of this year, MaRS told you it could no longer make payments on the province's \$224-million loan. Is that correct?

Hon. Brad Duguid: To the best of my knowledge. I would have to check on the dates to see whether that is the appropriate date or not. I believe that's correct. I always hesitate when I'm given a date, just in case it may have been before.

Mr. Percy Hatfield: All right. That left the government holding the bag, to the tune of \$450,000 a month in interest payments. Is that correct?

Hon. Brad Duguid: The arrangements are—and we've shared them publicly—at a certain point, when MaRS wasn't able to make the interest payments, the Ministry of Research and Innovation was responsible for filling in for those interest payments to, I believe, IO. So it's interest payments, by and large, within government. It's an accounting transaction as much as anything else. But that is correct.

Mr. Percy Hatfield: On top of the outstanding \$224-million loan to MaRS, last month the government bought out the US-based MaRS developer, Alexandria Real Estate, for \$65 million, bringing the total bailout to \$309 million. Is that correct?

Hon. Brad Duguid: I believe so. Yes.

Mr. Percy Hatfield: Can you tell us if Alexandria Real Estate got a dollar per dollar of what they had in the building? Or did they take a writedown or a writeoff, a certain amount on a dollar or—

Hon. Brad Duguid: Yes. Their valuation is a matter of public record. My understanding is, they had it valued in the \$90-million range, so they took a writedown in accepting \$65 million. They had to write down from their books a significant amount.

Mr. Percy Hatfield: Again, as I understand it, essentially there are only two tenants signed on to phase 2. One is an infectious disease lab operated by Public Health Ontario, set to open this fall, which will occupy the top four floors of the phase 2 tower. Is that correct?

Hon. Brad Duguid: It sounds correct to me, but I would want to confirm the details before I say that for sure.

Mr. Giles Gherson: It's correct.

Mr. Percy Hatfield: I understand that when you bought out Alexandria Real Estate, they were holding out—the building was mostly empty, because they wanted a high rent. The rent that will be paid by Public Health Ontario—was that deal signed under the old rent formula, or are they getting a better deal from the government on the rent that was proposed?

Hon. Brad Duguid: I wouldn't have that information. I expect that information would be with the Ministry of Health. I can ask our officials here if they have any further information from our ministry's perspective, if you like.

Mr. Percy Hatfield: Sure.

Hon. Brad Duguid: Most of those decisions would have been made by Public Health Ontario. The Ministry of Health may have some of that information.

Mr. Giles Gherson: I believe that Public Health Ontario signed their agreement with MaRS some time ago, so it was under the prevailing release rate at the time, which is higher than, I suspect, their lease rate will be in the future, once ARE is bought out.

Mr. Percy Hatfield: Would they have a most-favoured nations clause or something that would allow them to lower that rent if everybody else in the building is getting a better deal?

Mr. Giles Gherson: I think that really would come down to discussions between the Ministry of Health and Public Health Ontario. I can't offer you any information on that at this point.

Mr. Percy Hatfield: Construction of the new public health labs was originally budgeted at \$54 million, but that increases to \$86 million when the other costs, such as the lab equipment, the permits, the architectural engineering fees and project management fees, are factored in. Is that right? It goes up to \$86 million from \$54 million?

Hon. Brad Duguid: Those are not matters that my ministry has responsibility for.

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What I can say about the decision of Public Health Ontario to locate at MaRS, in the knowledge that I have, is that Public Health Ontario's current facilities were built in 1964. I was two years old at the time. They're pretty old. The SARS commission has recommended that they build new facilities and that those facilities be in a centralized location. Building those facilities in a centralized location in the heart of Ontario's bio-science innovation district is something that I think has a great deal of sense and rationale for it.

In terms of the details of the lease arrangements between Public Health Ontario and MaRS, that's not something that I have had or have any responsibility for.

Mr. Percy Hatfield: But I guess, obviously, all the money is coming from the government, though. It's all government money. If it's coming from the ministry—

Hon. Brad Duguid: In terms of Public Health Ontario, I think that's a safe assumption, but it's not something I could even confirm. To the best of my knowledge, yes.

Mr. Percy Hatfield: Okay. And the other confirmed tenant is the Ontario Institute for Cancer Research. Right? They're primarily funded by the Ministry of Health as well. Is that correct?

Hon. Brad Duguid: Well, again, I would have to determine whether that's correct or not; it may well not be. They may have independent funds that come into that organization. It doesn't fall under my ministry, so I'm not sure what their funding model consists of.

Mr. Percy Hatfield: Would we accept the assumption that their rent would have been based on the old formula as well, if they would have had an agreement some months ago?

Hon. Brad Duguid: I'm not aware one way or another.

Mr. Percy Hatfield: Anybody? Deputy?

Mr. Giles Gherson: Again, this is really a question between the Ministry of Health and OICR, which is the core funding agency. Our understanding is that that lease was signed at the prevailing rate, not a future rate.

Mr. Percy Hatfield: Now, you say that Ernst & Young has been very clear in their analysis that the investments made to date on this particular project are equal to or less than the value of the building. Is that correct?

Hon. Brad Duguid: I will try to quote them directly here for you. They say in their submission, "The results of our analysis indicate that the acquisition of Alexandria Real Estate's ... interest in the project will provide positive incremental value to the government across various potential tenancy options."

They also go on to say, "EY concludes that the government's investment is consistent with the ... market value of the project as attested by third party appraisals."

I believe, given that, the answer to your question would be yes.

Mr. Percy Hatfield: And as you know, Minister Sousa has said that with respect to the provincial investment in

MaRS to date, "I am recovering it. All of it ... I am getting it all back. That's the purpose here."

If at some point that building is to be sold, would you agree or disagree that a building that is sold that is, say, 30% rented has a value and a building that is sold at 100% occupancy has a different value, but a building that is sold with rents that aren't at the level that the initial investor said would be needed to be sustainable brings in a different equation?

Hon. Brad Duguid: Those are precisely the kinds of issues that Michael Nobrega and Carol Stephenson have been asked to look at to give us a professional analysis of what the options are and what's in the public interest here, because you're quite right: In terms of these kinds of transactions, they will differ and the return to government will differ depending on whether you lease up the building beforehand and maybe get more value for it, if you're going to sell it, or whether you sell it right away and get less revenue for the sale of the building, when it's not leased up. If the government determines that it's best to maintain it and keep the asset—because, remember, an asset is an asset, and any liabilities to that asset are offset by the value of the asset. So those considerations would need to be—I'm looking to the independent committee to give me their best judgment, and then I'll be looking to folks in government who have professional expertise on this to provide their recommendations, and then I'll be charged with the responsibility to bring a recommendation to our government.

Mr. Percy Hatfield: Then, to be clear, broadly speaking, two options to consider are to lease out those units and continue to utilize that space for what it was built for or to sell the building.

Hon. Brad Duguid: I don't know if I would say they are the only two options, but I would say they are definitely two options, for sure.

Mr. Percy Hatfield: And you're still considering perhaps the possibility of moving some provincial civil servants in there to rent out some of the space that might be sitting there empty?

Hon. Brad Duguid: Well, I said last week, and I'm happy to repeat it today, there's not a great deal of momentum with regard to that particular proposal, but I don't want to rule anything out until the committee has had an opportunity to look at it. But I can tell you there is not a great deal of momentum with regard to that proposal right now.

Mr. Percy Hatfield: Your government has repeatedly claimed that ARE was the bottleneck in renting out the phase 2 space. Is that correct?

Hon. Brad Duguid: Could you repeat that, please? Sorry.

Mr. Percy Hatfield: That ARE, the Alexandria Real Estate people, were the bottleneck in renting out the phase 2 space.

Hon. Brad Duguid: Yes. The challenge was, they had the ability to control the leases and the price of the leases and were not willing to waive their control of that. My understanding is, and they would probably be best able to

respond themselves to this, that their business model, when they originally invested into this project, required them to get a higher level of return than they were going to get. So they felt they were in a position where they could not agree to those lower leases for their own business reasons.

The only way we could resolve that—and I've sought third party advice on this to determine if this is a smart investment on the part of the province. The advice has come back unanimously from my own ministry folks as well as the independent panel, Michael Nobrega and Carol Stephenson, who looked at it and said that the first step you have to take is to remove ARE from the equation so that you can open up the door to whatever other options would exist.

Mr. Percy Hatfield: And yet you don't want the committee to see the deal on ARE.

Hon. Brad Duguid: Well, the deal is not finalized yet. I think the deputy has been very clear on this. Other governments around the world as well, and previous governments, would not put out information on a deal that isn't finalized yet, in particular information that could be commercially sensitive.

I understand the opposition like to ask for that kind of information, and I understand the challenging position it sometimes puts me in as a minister, and I don't like being in that position. But at the same time, you have a responsibility as a representative of government to ensure your government is working professionally and responsibly in the public interest. That's why I feel obligated, certainly, to take my advice from my deputy and his officials as to what's in the public interest at this point in time in terms of commercial sensitivity and what's not. It's not that I'm the judge of that. I need professional advice on that, and that's what I have received.

Mr. Percy Hatfield: Now, in order for the government to operate the building under its current mandate, you really have to recover, as I understand it, \$477 million, which includes the \$317-million price tag of the building and the land, \$106 million in renovations, and \$54 million in operating shortfalls. Isn't that what your own internal documents show, that we've got to get \$477 million out of it?

Hon. Brad Duguid: Well, we have made public already the amounts of what the government's investments in phase 2 are, and I can outline them to you. There's the Infrastructure Ontario loan of \$224 million. There's the Alexandria Real Estate buyout of \$65 million. There's the land purchase of \$16.2 million.

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Then there is what I guess is referred to as the debt service guarantee, and that's the interest payment on the loan, which is something that, month to month, will increase, as we've said, until we have this issue resolved, which is one of the reasons why we want to move forward as quickly as possible.

All of this money, at this point in time—and the Ernst & Young report's analysis determines that—

Mr. Percy Hatfield: There's that word "report" again.

Hon. Brad Duguid: The "report" word again. Their analysis determines that is equal to or lower, at this point in time, than the cost of the actual asset itself.

Those are the numbers that I have and that we have released publicly.

Mr. Percy Hatfield: But did Ernst & Young take into account the renovations and the operating shortfalls?

Hon. Brad Duguid: Let me give you an example. If you were to sell the building outright, there would obviously be transaction fees involved in that, so there are some costs. They're recovered by the asset itself and the revenue you get from the sale. But there would be costs involved in that. If you own a building, or even if you sell the building and lease it up before you sell it, there are negotiations that take place with tenants in terms of attracting those tenants to those units.

That's something that I cannot speculate on in terms of costs, because, first, we need to determine what our decision is with regard to the future of phase 2. Then, whether the government owns the building, whether it's sold to someone else, whether we lease up before we sell the building, or whether we operate the building in its intended use, which is a very viable alternative that is being considered—all of those scenarios would involve some form of leasing arrangements that are subject to negotiation.

The Chair (Ms. Cindy Forster): Mr. Hatfield, you have about two minutes.

Mr. Percy Hatfield: Thank you.

So you bought out ARE to get rid of the bottleneck in renting out the building, but now, wouldn't the government have basically the same problem that ARE had in renting out the building within the original mandate? In order to make up for the investments and carry costs, you have to charge way more than fledgling start-ups can afford. Isn't that the case?

Hon. Brad Duguid: My understanding is that MaRS would suggest that's not the case and that there is a market for those units at market lease rates. That's why I've set up the independent panel of Michael Nobrega and Carol Stephenson, as experts who have real estate backgrounds, to ensure that before we make this decision, we have third party professional advice to confirm that whatever option is chosen is viable and something that we can have confidence in.

Mr. Percy Hatfield: But I'm still confused, I guess, about how you're going to operate phase 2 according to the original mandate. Do you consider filling up the building with civil servants, if that's what happens, and government-funded agencies such as the infectious disease centre and Cancer Care Ontario to be consistent with the original mandate of MaRS?

Hon. Brad Duguid: I think that's a valid question. Certainly, I think it comes down, at the end of the day, to public interest and balancing that mandate with what the public interest may be in this particular time, in this case balancing the original mandate of MaRS with what the public interest is from a taxpayer perspective.

I would suggest, and I agree, that the idea you're referring to would have been using the building for swing space as Macdonald Block is renovated, so it wouldn't necessarily be a permanent tenancy in that building; ultimately, the building could be changed. But that's definitely one of the balancing points in our decision, that we have to determine whether we stick entirely to that original MaRS vision.

That's why I asked your colleagues, who aren't here at the moment, from the PC Party, why I thought—it's easier for me to respond to your questions if I know where they stand on the issue. For instance, if your party is supportive of the—

The Chair (Ms. Cindy Forster): Thank you, Minister. Your time is up.

Hon. Brad Duguid: Okay.

Mr. Percy Hatfield: I thought he was just saying the New Democrats were right on and these guys were wrong.

The Chair (Ms. Cindy Forster): You can get him on the next round.

Hon. Brad Duguid: I was giving you an opportunity to prove that to us.

The Chair (Ms. Cindy Forster): To the government for 20 minutes: Ms. Vernile.

Ms. Daiene Vernile: Minister, I want to ask you about transit funding outside of the GTA. In my home riding of Kitchener Centre, people are desperate for some other option besides the traffic-choked 401.

I'll give you a quick example. This past Friday, I had a chat with the president of Google Canada, Steven Woods, who told me something very surprising, and that is that every day, his company is loading up three buses in the GTA and bringing employees to Kitchener. Although we have two trains that go from Kitchener to Toronto every day, we don't have transportation coming in the opposite direction, with trains.

The president of Communitech, which is a high-tech mentoring hub, told me that recently he had the president of Canon from Japan arrive at Pearson airport and then this person faced two and a half hours on the 401 in bumper-to-bumper traffic. As soon as he arrived, his first comment was, "Where are the trains?"

In order for us to continue, in our area, creating thousands of well-paying jobs—again, this is tied to job creation and the prosperity of Ontario.

My question to you is, what type of funding is the government providing to municipalities outside of Toronto for transit improvements?

Hon. Brad Duguid: I appreciate the question and how relevant and important it is to your community.

I've said this in the past to questions from all sides of committee: I really can't get into individual projects in detail because that's the role of the ministries responsible. In this case, the lead on the particular projects you're talking about would be the Minister of Transportation, who I think is coming before committee soon, so you may be able to get some more in-depth opportunities for responses from him then.

I encourage you to continue as a champion of enhancing transportation to Kitchener-Waterloo—for a long time, long before you became an MPP. I would strongly recommend you save part of that question for the Minister of Transportation as well.

You do know, and you've helped to shape our position on this, that we're committed to improving the transportation link between Kitchener-Waterloo and Toronto for a number of reasons.

You mentioned Iain Klugman, president and CEO of Communitech, who—I'm putting my economic development hat on here now when I think about this. This is what excites me about having economic development combined with infrastructure: You can make really good strategic economic decisions utilizing the levers you have to invest in infrastructure.

We all know that we have an incredible hub of innovation that has developed between Toronto, Kitchener-Waterloo and Ottawa, between the three areas. Innovation exists right across the province, but these three hubs have become significant in North America through a number of different partners, probably the most vocal and visible being Communitech and Iain Klugman.

We're now seen in Silicon Valley as the place to be for innovation. It's not by accident, for instance, that Google has located its offices in Kitchener-Waterloo and Toronto, right in Communitech. They want to be where the next great ideas are coming from. Because of great universities like Waterloo, University of Toronto and many others across the province—Ryerson being another university that's producing some fantastic young entrepreneurs.

The last time I was in Silicon Valley, about two or three years ago—I was going down there to solicit more venture capital funding—they told me that the Ontario story is now becoming well known in Silicon Valley, and that is that we're producing some of the best young entrepreneurs anywhere in the world today.

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How that connects with infrastructure is the following: Young people, young entrepreneurs, want to be able to do their work. They want to be able to do their innovation. They want to be able to work, for instance, at Communitech or Velocity, if they're a Waterloo student. But also, many of them still want to live in Toronto, for instance, because they want to be part of that big-city environment as well.

That connection, when we talk about commuting, now runs both ways. It's really important, if we want to unclog those highways—every time I come out to your community, from Guelph right through to Kitchener-Waterloo, I've got to leave a lot of time to get out there, for fear that those roads will be clogged, because once there's a problem on the 401, you can be sitting there for a long time.

That's why that commuter train service and improvements to it—and some of the proposals that are being put forward that I would have less familiarity with, in terms of detail, than the Minister of Transportation would—are so important from an economic perspective, because they

create that innovation corridor that I think is fast becoming second to none in North America. We have that innovation culture, that can-doism, that has developed in Kitchener-Waterloo.

We've seen the challenges that BlackBerry has had; I was Minister of Economic Development for part of that. It's just so inspiring to see that community say, "Yes, that's probably the biggest company in our community that's having challenges, but we're going to respond by continuing to stick to our innovation agenda there." You've seen a whole crop of technology evolve out of BlackBerry now into some of those start-up accelerators.

You'll know that our budgets have indicated that we're going to keep investing in those accelerators. We've put forward some ideas in the budget to grow and expand those accelerator programs, some of it in our youth jobs strategy, as an important part of providing next-generation jobs for our young people.

All of that is important, but those investments in transportation are directly linked to it. If we're going to have a successful innovation corridor between the University of Waterloo and U of T, who are partnering like never before in innovation initiatives; between Ryerson and Waterloo, and connections between the DMZ, which can work with Communitech in some ways—companies can move back and forth and around—as well as some of the other incubators across the province, then those young entrepreneurs—I say "young"; they're not all young, but many of them are—are going to need those travel corridors to be able to get to and from.

The more we can shrink the distance between Kitchener-Waterloo and Toronto, in my view, the greater the success of this hugely globally significant innovation cluster is going to be, so keep championing those programs. When you get a chance to get the Minister of Transportation here, I strongly recommend that you continue to work with him and ask some of those questions to him.

Ms. Daiene Vernile: I just want to underscore how important it is to get that link, because there is an explosion of jobs that is happening. Just in the past five years, Communitech has launched 1,700 companies, 10,000 jobs.

You talked about people going back and forth, maybe wanting to live in Toronto, and that's because you may have a partner who works in Toronto, and that's why you have the other person coming in our direction. If you look at places like Palo Alto, California, they've got a great train system going back and forth, helping people who are part of this innovation hub to commute. So it's good to hear that you have this commitment, and we want to see it sooner rather than later.

Hon. Brad Duguid: It's definitely a solid commitment on our part. Some of it is out of a commitment to the region, which we have always had. Some of it is out of enlightened self-interest. If we're going to build that next-generation economy, we need to ensure that the investments in infrastructure that we're making are investments that are going to lead to job creation and that are

going to lead to continuing to evolve our reputation as a hub for innovation in North America.

We often talk about being number one for foreign direct investment. There are a lot of things that go into that: our ability to partner with businesses, our willingness to take some risks sometimes in partnering with businesses—risks that have paid off for us. Our ability to bring down our effective corporate tax rates is working very well in terms of attracting businesses to Ontario. The recent Tim Hortons-Burger King merger proposal—one of the reasons why Burger King wanted to invest here is our effective corporate tax rates.

That's all important, but along with that is the importance of having that innovation culture. A lot of businesses are locating here because they want to be where the next great idea is going to come from. They're participating in a fiercely competitive global economy, and the minute that their ideas, the minute that their innovation stagnates, those big, large companies can very quickly take a turn in the other direction. So they're constantly looking for those new frontiers, and the beauty is that they're recognizing that that Toronto-Waterloo—and in some cases Ottawa—corridor is the place to be in North America.

So we have some huge advantages. We want to make sure that we're making investments that accelerate those opportunities. If the experience of young entrepreneurs, who may have a spouse in Toronto or family in Toronto who want to work at a Communitech or vice versa—if their experience in terms of their travel time is not a good one, well, you're just not going to get that level of start-ups that you want and we're not going to be as good as we can be. In this fiercely competitive global environment, we don't have an alternative but to be at our very, very best.

I'm excited about these potential infrastructure investments, in part because of what they'll do to the quality of life for people that travel that corridor, not only in the ICT sector but for a variety of different reasons. But I'm also excited from the economic perspective, because I see it as being a very important infrastructure investment that's going to lead to further start-ups, further job creation and further partnerships in what is fast becoming the centrepiece of Ontario's innovation agenda.

Ms. Daiene Vernile: I just want to stress that many of these companies have told me that the job growth and the prosperity really, really hinge on better transportation. If half your employees are stuck on a bus on the 401 in the morning and they're getting to work late every day, you're not going to be number one. I appreciate your commitment to this. Thank you.

Hon. Brad Duguid: Having you as their advocate is one of their greatest assets, so I appreciate your advocacy for that and I recommend you continue that, and we as a government will continue to support the work that you're doing.

The Chair (Ms. Cindy Forster): The government members have about six minutes left in this round. Ms. Kiwala.

Ms. Sophie Kiwala: Thank you.

There has been a lot of back and forth on the merits of the alternative financing procurement model. Sorry to belabour the point again, but it does have a specific interest in our community, as we're in the process of building a new hospital, Providence Care Hospital. I have to say that I pass it twice a day at least. The parking lot is full of construction vehicles. There is a lot of employment being created there. We're trying very hard to focus on local labour and local materials. We're involving all stakeholders. We even revised plans after consultation with patients so that the model suites were the best possible for the patient use that we could have.

But what I wanted to really underline here is that—I'm obviously new to this and I appreciate what the government is trying to do with respect to the AFP funding model. It's important that we do have infrastructure spending on hospitals, roads, transportation now rather than 10 or 20 years down the road. But I'm wondering if you can tell me more generally why this government continues to pursue AFP. I've seen the benefits in my community and I've heard all sides on this issue. So a few minutes left just to comment on that. Thank you.

Hon. Brad Duguid: I appreciate that. I think the residents in your community would want their hospital to be built, as much as possible, on time and on budget. Their concern is getting a good-quality hospital. They're probably not too exercised about the philosophical debates about how we deliver that. But we need to pay attention to those matters, because we need to make sure, when we're building infrastructure, that we're doing it in a way that best serves our needs, that delivers projects on time, on budget, that delivers quality work, quality projects, and does so at the best possible cost.

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I think we ought to move beyond the philosophical debates—that might be wishful thinking—on these types of initiatives, because we don't take a philosophical position on this whatsoever. Not all of our projects are done through AFP. In fact, the majority of them are done through the traditional way of funding.

There are certain select projects that utilize AFP and that benefit from the AFP process more than others. We've had some good success with our hospitals. We've had some good success with a number of other projects. In total, out of the 30 projects that have had substantial completion since we've implemented the AFP model, 28 were delivered on time and 29 were delivered on budget. Cabinet just recently met at a Pan Am Games site in Scarborough, the aquatics centre—a phenomenal site, built on time and under budget, which is always nice to be able to say. So it has lent itself to some good success that way.

It doesn't mean it's perfect. It doesn't mean that there are not different ways of looking at it. At the end of the day, I'm very hesitant to get too involved in the academic debate that takes place on these things, because if somebody approaches this from a certain perspective, with philosophical blinders on, there are reports that suggest

the traditional could be done in different ways or could be beneficial, but they tend to ignore—in fact, they usually ignore—the risk transfer aspect of transferring the risk of overruns, which happened very frequently under most governments and continues to happen under governments that don't utilize the AFP model.

It's important, when you see these reports come out, that they're comparing apples to apples. There may be others who have seen these, but I have yet to see comparisons that really are accurate in assessing the values between the two models, other than to say that I'm of the belief that, where appropriate, AFP has had a very good record of delivering projects on time, on budget, and transferring the cost and risk from residents.

The best example for that is probably the Bruce nuclear project of a number of years ago. I don't recall the exact numbers of risk transfer that has taken place, but my understanding is that it has probably saved the taxpayer hundreds of millions of dollars. That alone is significant enough to tell me that this is an approach that ought to be continued to be pursued and utilized where appropriate.

The Chair (Ms. Cindy Forster): You have one minute.

Ms. Sophie Kiwala: I can't underline how significant it is for our community, allowing us to have the care that we need and the staff, to have the facility, a state-of-the-art facility. I'm very grateful that we have allowed this model to be used in our community. I know that it has been very warmly received, and I thank you for that.

Hon. Brad Duguid: This model helps us do more at the early stage as well, because of the time, depending on what the arrangements are. AFPs are done in a number of different ways. There are some where a project may not have fallen within the capital budget to be able to do, if we had to invest all up front instead of over a number of years in those projects, where sometimes a proponent might have a 20- or 30-year involvement in the project in terms of operating and things like that—not owning, but having maintenance obligations over that period of time.

In those cases, it may well be that some of those projects would have had to be put off.

Ms. Cindy Forster: Thank you, Minister.

Official opposition, 20 minutes: Mr. Hillier.

Mr. Randy Hillier: Minister, back to openness and transparency: I found it interesting when your member from Trinity-Spadina said that he believes in openness and transparency at the right time. Clearly, from what we've seen so far, the estimates committee, a committee of this Legislature, is not the right time for openness and transparency from you.

Let me ask you this question: When you called up Ernst & Young and asked them to do this evaluation of the MaRS 2 tower, did you provide them with any of the documentation that you prevented this committee from having today, such as the business plan, the mortgage documents, the agreement with ARE? Were any of those documents provided to Ernst & Young for their evaluation and appraisal of MaRS 2?

Hon. Brad Duguid: In their letter, Ernst & Young says, “Based on our review of various financial models prepared by IO and independent third party appraisal reports, Ernst & Young confirm that the fair market value of the MaRS phase 2 project is at minimum equal to, and could exceed, the” amount—

Mr. Randy Hillier: Minister, I asked you a question about the documents that this estimates committee asked for today. Were any of those documents provided to Ernst & Young?

Hon. Brad Duguid: I’m sorry. You interrupted my answer. May I finish?

Mr. Randy Hillier: Did you provide Ernst & Young with those documents?

Hon. Brad Duguid: I was trying to respond, but you interrupted me. Do you want me to finish?

Mr. Randy Hillier: Well, it should be a yes or no answer.

Hon. Brad Duguid: I’ll respond however I feel like. I can respond to your question or not, but—

Mr. Randy Hillier: I’d like a response. Did you provide those documents to Ernst & Young? Or did you just say to your buddies over there, “Here’s 100,000 bucks. Cover my derrière and give me a form letter”?

Hon. Brad Duguid: Madam Chair, I’ll try to respond to the member as best I can. It’s hard to respond if he keeps interrupting me, though.

As I was saying, Ernst & Young indicated this in their letter. They said, “Based on our review of various financial models prepared by IO and independent third party appraisal reports, Ernst & Young confirm that the fair market value of the MaRS phase 2 project is at minimum equal to, and could exceed, the ... amount invested to date by the government.” They’ve indicated in that letter that they’ve looked at various financial models and independent third party appraisals.

Mr. Randy Hillier: So they haven’t seen the contractual obligations or commitments either. So it’s not just openness and transparency to this committee—that you are hoodwinking and pulling the wool over our eyes.

These independent appraisals, Minister, that Ernst & Young referenced—how about those? Will this committee be allowed to see those independent appraisal models that Ernst & Young based their appraisal on?

Hon. Brad Duguid: Let me go back to the member’s own words: “hoodwinking” and “pulling the wool over” people’s eyes. Madam Chair, in order for me to better respond to their questions, last week I asked whether they thought the buyout of ARE was a responsible decision on behalf of the government. It would aid me in responding to their—

Mr. Randy Hillier: Minister, I asked a question. You’re not answering the question. Those independent appraisals: Will you provide those to this committee?

Hon. Brad Duguid: It would help me to know where the member stands on this issue, Madam Chair—

Mr. Randy Hillier: I’m looking for evidence and I’m looking for documentation, if it isn’t clear to you already; not filibustering and nonsense.

Hon. Brad Duguid: I’ve provided both publicly and to the committee—and we shared with you a number of websites that have the information you’ve requested. We provided, even last week, the monthly payments with regard to ARE. So we’ve provided and met requests as best we can, Madam Chair. We’ve—

Mr. Randy Hillier: Minister, we’ve asked for documentation.

Hon. Brad Duguid: He interrupted me again, Madam Chair. I’ll do my very best to try to respond to his questions despite his constant interruptions.

Mr. Randy Hillier: The documentation: Will you make that available to this committee?

Hon. Brad Duguid: Madam Chair, we’ve made documentation available. We’ve released it to the media. If the member is asking me, Madam Chair, to not take the advice of my deputy minister and to put forward documentation that is commercially sensitive—I understand why, as an opposition member, he would try to twist that to make it look like it’s something other than it is, but I have a responsibility, Madam Chair, and the deputy minister does, to the public interest—

Mr. Randy Hillier: Okay, enough of the red herrings, Minister.

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Hon. Brad Duguid: Let me finish.

Mr. Randy Hillier: No, no, Minister, enough of the red herrings.

Hon. Brad Duguid: Let me finish.

The Chair (Ms. Cindy Forster): Order.

Mr. Randy Hillier: Those motions included an in camera component. If there was commercially sensitive information, it was clearly laid out before the committee that we would go in camera to look at those. You’ve turned down four motions this morning. Last week, when I asked you to identify to this committee the upset limit that you have authority from Treasury Board for, you refused to give that information as well. You are pulling the wool, or trying to pull the wool over, the taxpayers in this province and their representatives here in this committee. It’s absolutely astonishing and troubling, Minister, that you would go to that length to cover what you’re doing in the Ministry of Infrastructure—absolutely atrocious.

Hon. Brad Duguid: May I respond?

Mr. Randy Hillier: I’m going to ask you another question here—

Mr. Han Dong: Point of order.

The Chair (Ms. Cindy Forster): Point of order, Mr. Dong.

Mr. Han Dong: The member opposite just made a comment that the minister turned down four motions this morning. I just want to correct for the record that the committee voted against those four motions. Actually, the first one, he withdrew; then the following three, the committee voted against.

The Chair (Ms. Cindy Forster): Thank you.

Mr. Randy Hillier: Minister, you speak often of your pride in MaRS and you tell everybody how wonderful

MaRS is. But I was going through your estimates—maybe you can help me out here on the estimates, because I've gone through your results-based planning book and I've gone through your estimates. Where exactly does the liability for MaRS appear in the estimates? What line item is it?

Hon. Brad Duguid: There is a line item when it comes to the amount that the government has allocated for this. It is north of the amount that actually at this point in time we are spending. But I think it's important, though, as we look at these issues—

Mr. Randy Hillier: Do you have that information available? What line item is it?

Hon. Brad Duguid: We will endeavour to get that information for you. In total, the estimate would come in at about \$317,000. It's in the estimates; I assume you've read them.

Mr. Randy Hillier: I have. I have not found anything identified as MaRS, and that's why I'm asking the question.

Hon. Brad Duguid: Well, then, if you've read them in detail I would expect that you would have seen this, but perhaps you're—

Mr. Randy Hillier: What line item is it? Perhaps you're having trouble finding it as well.

Hon. Brad Duguid: It's on page 60 of 60.

Mr. Randy Hillier: Page 60?

Hon. Brad Duguid: Yes.

Mr. Randy Hillier: And what is the figure there?

Hon. Brad Duguid: It's right there. As I've said before, it's \$317,000—or, sorry, \$317 million.

Mr. Randy Hillier: It's \$317 million.

Hon. Brad Duguid: I sometimes forget the zeroes.

Mr. Randy Hillier: And I assume—or maybe I shouldn't assume—that \$317 million that you have allocated for MaRS, that is the mortgage amount of \$224 million?

Hon. Brad Duguid: No, that is not correct.

Mr. Randy Hillier: It's not the mortgage amount.

Hon. Brad Duguid: It's not correct.

Mr. Randy Hillier: It's other monies for MaRS, over and above the mortgage that is in default.

Hon. Brad Duguid: I've outlined to committee on a number of occasions what those allocations are. I'm happy to repeat them—

Mr. Randy Hillier: Could you explain what that \$317 million is, if it's not the mortgage?

Hon. Brad Duguid: I've said then publicly as well—that was the estimate at the time, and these are estimates, of what the actual investments in MaRS over the course of this year would likely be—over the course of time, actually. That includes the loan—

Mr. Randy Hillier: You're seeking a vote for that much.

Hon. Brad Duguid: You're interrupting me again.

Mr. Randy Hillier: Just for clarification. This is this year's estimates, not future years' estimates.

Hon. Brad Duguid: Well, it's kind of hard for me to answer your questions if you continue to interrupt me.

I'm doing my very best, but the more you interrupt me, the more difficult it is for me to answer questions. I'm actually outlining for you exactly what those expenses are, but—

Mr. Randy Hillier: Let's be factual. It's this year's estimates, not future years' expenditures.

Hon. Brad Duguid: I suggest that being factual is something you ought to pay attention to as well.

Mr. Randy Hillier: Oh, I do.

Hon. Brad Duguid: Well, not from what I've seen today. I would suggest that's not the case.

Mr. Randy Hillier: So what is the \$317 million allocated for with MaRS this year, then?

Hon. Brad Duguid: As I said, and I'll get the figures for you again—I have them here—but it's the loan, which is, off the top of my head, \$224 million—

Mr. Randy Hillier: But you just told me it wasn't the mortgage.

Hon. Brad Duguid: No, I didn't. You said the mortgage was for \$317 million. Again, you're misusing your language here, and—

Mr. Randy Hillier: No, no, I asked you: the \$317 million, does it include the \$224-million loan?

Hon. Brad Duguid: I think every member in the room understood what I said, except you, which is—

Mr. Randy Hillier: Well, clarify; edify us.

Hon. Brad Duguid: —that, no, it's not a \$317-million loan. If you'd paid attention to any of the answers I've given you in the last three days—I know that Mr. Hatfield has; he understands it, because we had an in-depth conversation about that. I'm not sure—

Mr. Randy Hillier: The \$317 million: What's it for?

Hon. Brad Duguid: —why you're having trouble understanding what we've laid out and what is actually public knowledge and has been released in the media and talked about in the media.

Mr. Randy Hillier: Spit it out. Spit it out.

Hon. Brad Duguid: I'm happy to, but you keep interrupting me every time I try to go through it.

Mr. Randy Hillier: What is the \$317 million for?

Hon. Brad Duguid: Well, the \$317 million: Part of it is the loan; part of it is the original investment in MaRS for the building; part of it is the interest payment on the loan. I believe those are the three areas—

Mr. Randy Hillier: The interest payments were coming from research, you told this committee, not from IO.

Hon. Brad Duguid: The overall amount that the government would be spending would be—for us, the actual is \$308 million, and that's what I'm referring to. That's the actual amount that we're spending. So it's \$224 million for the loan, a debt-service payment that, at the time it was released, was \$3.61 million, but that's a growing amount. We estimate by, I believe, the fiscal year-end, that will be about \$7.1 million—it might be below that.

Mr. Randy Hillier: So, Minister, that demonstrates to me that you've got a loan out there for MaRS for \$224 million—

Hon. Brad Duguid: Well, I'm not finished yet. Again, you've interrupted me partway through—

Mr. Randy Hillier: I'm looking for some clarification here. I'm looking for some clarification. You've got in here, in your estimates, \$308 million; you've got \$224 million, you're seeking, in the estimates. Now, that should be looked upon—if this was a performing loan, that would be revenue in to the government, not an expenditure out. So have you put that \$224-million loan in as a liability that we are likely or probably going to have to discharge completely, and be a cost to the taxpayer?

Hon. Brad Duguid: It's an IO loan, and the \$317 million is a contingency that would have been included in the budget, so that's why I shared that.

Mr. Randy Hillier: It just takes you a long time to get to it. I understand.

Hon. Brad Duguid: Well, it's difficult when you're interrupting me every second word. I do my very, very best, but it's hard when I can't even—I'm still trying to outline what you asked me for in the first place, and you haven't allowed me to do that.

Mr. Randy Hillier: You've already given enough information.

Hon. Brad Duguid: Well, according to you, but—

Mr. Randy Hillier: Minister, I've got another question for you here—

Hon. Brad Duguid: —there's information that I haven't been able to share with you and you appear not to want to hear it.

Mr. Randy Hillier: Minister, I have a question for you here.

The Chair (Ms. Cindy Forster): Order. Mr. Hillier.

Mr. Randy Hillier: MaRS receives a substantial amount of money in various forms from the taxpayer. Their own indications are that 61% of their income is derived from government, a substantial amount of that from the Ontario government, in addition to the bailouts on the mortgages and the bailouts of the developers. In looking at the information that I have that was available in the Toronto Star, \$477 million over the years has gone to MaRS from the Ontario government. I'm going to ask you this question: Clearly, there is no oversight from your ministry on MaRS; clearly, you have no interest in actually examining or evaluating the risk to the taxpayer here, or if these are viable or wise investments, as you like to say, why do you believe that such huge expenditures of public dollars to one agency ought to go by without any review, any oversight, any accountability, you don't even know what's going on with the board of directors, or with this revolving door of CFOs—hundreds of millions of dollars of taxpayers' money going out the door, and you're just shovelling more good money in there. As much as you might like to think that this is an incubator and an accelerator for life sciences, we know the building is empty and we know that the only likelihood of tenants in there are more bureaucrats, hardly our view of innovation and creativity, except for when it comes to stonewalling this committee, I think, what we get with the bureaucracy and with yourself, Minister. So

why is it that your government, our government, has no oversight whatsoever on the millions of dollars that are being funnelled down the road to MaRS?

Hon. Brad Duguid: Madam Chair, there are three clear things that came out of the comments that the member has made. Number one, he doesn't know which minister or which ministry he's talking about, nor does he know how MaRS is structured or what ministry is responsible for—

Mr. Randy Hillier: Nobody is responsible, obviously.

Hon. Brad Duguid: —the operations of MaRS or for the transfer agreements that have been made. He also doesn't know that we have a full auditing mechanism in this government. Every one of those transfer agreements has been audited multiple times. Thirdly, and this I find absolutely glaringly shocking, this member wants to walk away from a positive legacy of his previous government and the previous Minister of Finance, Jim Flaherty—

Mr. Randy Hillier: Positive? Bailouts are positive now?

Hon. Brad Duguid: —who agreed with us, the Harper government and the Martin government in the past—

Mr. Randy Hillier: No oversight is positive?

Hon. Brad Duguid: —that it's important to invest in the next-generation economy.

Mr. Randy Hillier: No accountability is positive?

The Chair (Ms. Cindy Forster): Mr. Hillier.

Hon. Brad Duguid: Let me quote Jim Flaherty to close here. This is Jim Flaherty saying this, and it's shameful, your disrespect.

Mr. Randy Hillier: That's MaRS 1. MaRS 2 is your—

Hon. Brad Duguid: Your disrespect for your previous government is shameful.

Mr. Randy Hillier: You're on the hook here—

The Chair (Ms. Cindy Forster): Order.

Interjection.

Hon. Brad Duguid: Absolutely shameful.

“Ontario is demonstrating leadership and foresight with this investment in the MaRS Discovery District.... We are ... pleased that the federal government shares our vision”—

Mr. Bas Balkissoon: Madam Chair, point of order.

The Chair (Ms. Cindy Forster): Point of order. Excuse me, Minister.

Hon. Brad Duguid: —“by matching our contribution to this world-class medical and biotech”—

The Chair (Ms. Cindy Forster): Minister, excuse me. Point of order from your member.

Mr. Bas Balkissoon: Madam Chair, I'd ask you to ask the member to withdraw the language he just used. I think personal attacks and the word that he used—I don't want to repeat it—

Mr. Randy Hillier: I'll withdraw.

Mr. Bas Balkissoon: —are unbecoming of our behaviour. I think you need to control the member interjecting continuously. We're here to ask questions and get an answer on estimates.

Interjection.

Mr. Bas Balkissoon: A lot of the personal comments being made by the member on the opposite side are very personal and, I think, inappropriate.

The Chair (Ms. Cindy Forster): Thank you.

Mr. Hillier, you have two minutes left in your session.

Mr. Randy Hillier: Thank you.

Interjection.

The Chair (Ms. Cindy Forster): Two minutes combined.

Hon. Brad Duguid: I'm still responding, Chair. I haven't had a chance to respond.

Mr. Randy Hillier: No. You haven't responded to anything.

Hon. Brad Duguid: There are all kinds of—

Mr. Randy Hillier: Minister, it's clear to me that your mandate letter—

Interjection.

Mr. Randy Hillier: Your mandate letter—

Interjection.

The Chair (Ms. Cindy Forster): Order. Minister, Mr. Hillier has the floor.

Mr. Randy Hillier: Your mandate letter isn't worth the paper it's written on, Minister, not worth an ounce of anything.

Hon. Brad Duguid: This is a good soliloquy.

The Chair (Ms. Cindy Forster): Order. Minister, it's Mr. Hillier's time.

Mr. Randy Hillier: You have demonstrated to this committee that you have not evaluated—

Interjection.

The Chair (Ms. Cindy Forster): Order.

Mr. Randy Hillier: You have not evaluated any of those business proposals.

Hon. Brad Duguid: —disrespect for the—

The Chair (Ms. Cindy Forster): Order.

Mr. Randy Hillier: Minister, don't—

Hon. Brad Duguid: —Jim Flaherty, and I find it shameful.

The Chair (Ms. Cindy Forster): I'm going to recess if this continues.

Hon. Brad Duguid: Absolutely shameful.

Mr. Randy Hillier: You are. You are.

The Chair (Ms. Cindy Forster): We are in recess.

The committee recessed from 1143 to 1147.

The Chair (Ms. Cindy Forster): Third party: Mr. Hatfield, you're up for 20 minutes.

Mr. Percy Hatfield: Oh, thank you. Well, welcome back. Now that we're all on our derrières, we can begin.

Hi, Minister. How are you doing? ARE, the Alexandria group, wanted to charge too much to rent out the phase 2 space. There was not one tenant signed under the original mandate, that mandate being to provide incubator space for start-ups. That's correct, isn't it, Minister? The two leases signed were with government-funded organizations?

Hon. Brad Duguid: Thus far, to the best of my knowledge, I believe so. Again, I hate to always give definitive answers on this, but as far as I know, yes.

Mr. Percy Hatfield: All right. Do you know the specifics of the agreement with ARE that allowed them to set the lease price?

Hon. Brad Duguid: In terms of the specific agreement, what I know is that ARE had the ability to determine what those lease prices would be. It was part of the agreement with them as they were managing this phase 2. That was, I think, in all likelihood to control their return. When the recession hit, things changed for them financially and the business equation changed. That's the extent of my knowledge in terms of ARE's involvement.

The advice that I received from Infrastructure Ontario and Ministry of Infrastructure staff is that they had to be moved out of the way in order for us to be able to, either way, sell off the building with the ability to bring tenants in there, which would, as you said earlier, increase the value of the building, or keep the building ourselves and operate it that way, potentially realizing the current vision of MaRS.

Mr. Percy Hatfield: So can you table the evidence, then, that ARE had complete control over the leasing specifics?

Hon. Brad Duguid: I'd have to defer to ministry officials to determine what we may or may not have with regard to that—what kind of documents, if any, that we would have, and, as we debated earlier, what we are able to put out that's not commercially sensitive. So I could ask the ministry to try as best they can to respond.

Mr. Percy Hatfield: Well, the deputy may have an answer.

Mr. Giles Gherson: The terms of that agreement are really between MaRS and ARE. Those were the contractual parties to that agreement. The government is not a party to that agreement; the ministry is not a party to that agreement. So the terms of that agreement are not really available to us.

Mr. Percy Hatfield: But, Deputy, if you took over the ARE portion of that agreement with MaRS, would you not now be in the same position, under the same terms that ARE had, meaning that you now can set the lease rate? If that was the provision that ARE had before—you wouldn't have picked up any provision that ARE didn't have when you took over ARE.

Mr. Giles Gherson: I think that's substantially correct, but you asked for a different thing. You asked for the details of that agreement, and I can't provide those to you. The brunt of that agreement was that ARE had the right to set the terms. As you point out, if this conditional agreement is finalized to purchase the interest of ARE in the building, then MaRS, or the government, as the minister says, depending on what the final outcome is, would have the ability to set the lease terms.

Mr. Percy Hatfield: I guess I'm going on the assumption, then, that if ARE had the ability to set the lease rate, the lease price that they would set would be an amount necessary for them to make some money on their investment in MaRS. Is that a reasonable assumption?

Mr. Giles Gherson: Yes, but ARE and MaRS are two separate entities, so the “hurdle rate,” as they call it, to make a profit would be different for those two entities. What we got into here was essentially a disagreement between MaRS, which had a certain set of financial circumstances—it could make money under one scenario that ARE couldn’t.

ARE is a US organization that has substantial real estate holdings throughout the United States and has invested in a number of projects like MaRS in cities in the US which have much higher rental rates, so they have a different set of circumstances that they are responding to that didn’t really conform to the kinds of interests that the government had or that MaRS had. That was the reason for buying ARE’s interest out: so that a different set of circumstances would prevail.

Mr. Percy Hatfield: I take it, then, that it’s fair to say the government is considering one option, which is to charge a considerably lower price to get some tenants into the building. Is that correct?

Mr. Giles Gherson: Well, it’s a market rate.

Mr. Percy Hatfield: The market rate—lower than the market rate.

Mr. Giles Gherson: No, it’s a market rate.

Mr. Percy Hatfield: You’re going to charge the market rate.

Mr. Giles Gherson: The market determines what a rental rate would be. In this market, it has been determined that the market rate would be somewhat lower than the rate that ARE wished to charge.

Mr. Percy Hatfield: All right. So you have numbers that show that this market rent would allow the government to—in Mr. Sousa’s words, “I am recovering it. All of it ... I am getting it all back. That’s the purpose here.” Whatever the market rate is, according to Minister Sousa, it will be enough for him to recover the government’s intervention in this?

Mr. Giles Gherson: I think the belief is that if the building is leased up at a market rate, then the government will recover its investment.

Mr. Percy Hatfield: All right. So where is the evidence, then, that to rent out the remaining space in a manner consistent with the original mandate is a viable option?

Mr. Giles Gherson: Well, that’s—

Mr. Percy Hatfield: Back to the start-ups and the incubator.

Hon. Brad Duguid: That’s probably a question better put back to me as minister. That’s why we’ve set up the panel with Michael Nobrega and Carol Stephenson. The MaRS district has indicated that they’re confident that their original vision could be actioned and that there would be viable tenants for those buildings, in keeping with their original innovation agenda. I wanted some independent assessment of that, and that’s part of what Michael Nobrega and Carol Stephenson—part of the advice they will give us is: The original vision—is there a market for it? It may well be, and if there is, then I think there’d be an interest for all of us to continue to

ensure that that cluster can develop in a good way, create jobs, create opportunities for innovation in what’s one of the top three bioscience clusters in North America. We don’t want to just throw out that vision if it’s still a viable vision. That’s part of what some of the advice I hope to receive from that panel will provide.

Mr. Percy Hatfield: Well, I guess the sum of it is, then, we see that you’re really down to two options, and that’s either fill up the place with government-funded agencies and civil servants or sell the building. Aren’t those really the only viable options?

Hon. Brad Duguid: Well, again, that’s part of why I wanted to bring in people with real estate experience who have very intelligent, creative investment minds to them, who also understand the innovation agenda, to give us advice. I think there are other options. We’ve talked about it; there’s a variety of different options that could be available. I wouldn’t want to limit them to any two, three or four. But whether the government would have the ability, if they wanted to, to retain ownership of the building, if they chose to, and lease up the building—it’s an appreciating asset. From a business perspective, if the panel looks at the numbers and says, “From a real estate perspective, you ought to hang on to this building,” we’ll have to give that consideration as well and work with MaRS to make it operational. It may well be, as you said, they say, “You’re pretty close to a break-even point now; maybe it’s a good time to divest your interest in it.” The challenge with that could be that once you sell to a private sector owner, the vision of MaRS at that point will be hard to action, because that private sector owner will have an interest in renting out that space to whatever tenant becomes available, whether or not they’re in keeping with the vision.

I think there is a series of different potential options here, and I’m looking forward to the independent advice from Michael Nobrega and Carol Stephenson as to what options they’ve looked at and whether they’ve identified other options that maybe we haven’t had an opportunity to talk about. I think it’s in the public interest for us to take a look at all alternatives and make a judgment, and we’ll be happy to be judged by whatever it is, whatever direction we decide to take.

Mr. Percy Hatfield: I believe most people in this room would think or believe that MaRS, the original MaRS—MaRS 1, if you will—has been successful. Isn’t it true that the original MaRS vision of being an incubator is just not going to happen in phase 2? It just hasn’t happened yet. I don’t know. Do you see, after all this has happened, that all of a sudden the incubator phase of MaRS 2 is going to really get activated, accelerated?

Hon. Brad Duguid: We’ve had a good discussion on some of the barriers to success that phase 2 has had. The major barrier to success has been the interests of ARE to keep the rates at a level above market value, which has interfered with MaRS’s ability to bring in tenants. With ARE out of the way now, what we need to analyze and what the professional expert panel I have set up is

looking at is, with ARE out of the way, what's stopping MaRS now from being able to realize that original vision set forward by a previous government to us actually? It's something that I think had merit. It had merit at the time. I think, going forward, our determination has to be, given current circumstances, does it still have merit? I wouldn't in any way suggest that we've made any decisions, nor would I want to presuppose or prejudge what the advice the expert panel's going to give me on this. It may well be that with ARE out of the way, that project will be able to succeed.

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One thing that's important to note: This isn't just a real estate transaction, right? There's more to it than that. The numbers are really important. Protecting the taxpayer investment is critical. But there is a duty on behalf of government to continue to grow that strong economy. There are opportunities sometimes for investment in that. So it's not just a pure real estate transaction. It's important for all Ontarians that MaRS continue to succeed. The judgment we have to make is from a taxpayer protection perspective. Where do we strike the balance there, and is it still a good investment for us to continue with phase 2 as originally planned? That's the information I'm seeking, and I certainly look forward to your ideas on that as well.

Mr. Percy Hatfield: I guess right now I'm looking at the possibility that phase 2 of the MaRS project has not been successful, and phase 2, without more government incentives, will never be successful. I don't know if that's because the market is saturated or what it is, but based on the evidence before the committee so far, phase 2 as an incubator, as an accelerator, for the start-ups hasn't happened and isn't likely to happen because of everything that we've talked about, be it the size of the rent or the fact that the market wasn't out there for it. I don't get the sense that at this stage you're willing to say that phase 2 has been a failure and the government's going to be looking elsewhere.

Hon. Brad Duguid: We've been very straightforward—phase 2 has had some significant challenges. We're not at a stage now where I would say I'm prepared to write off the future of phase 2 of MaRS. I want to get expert advice on that before we make any determination. I think it's incumbent on us to get that advice, do our due diligence to determine whether phase 2, in fact, remains viable.

Has it had challenges? Yes, it has, and we've talked about those challenges in, I think, a very upfront way. But does that mean the future of phase 2 has no hope for success or potential? I'm not seeing it that way at the moment. I want the benefit of expert advice to give me a level of continued confidence that we ought to continue to pursue that vision. That's where our decisions in the future are going to have to be balanced.

Mr. Percy Hatfield: Chair, I just want to go back to something. Earlier the member for Kitchener Centre had mentioned that gridlock in her part of the province has been such that some of the people who are going there

are having second thoughts about getting back and forth to work because of the gridlock and the time in travel from home to work. I just want to point out to the committee and to the minister again that you get from point A to point B in Windsor in 20 minutes, max—well, in rush hour, maybe half an hour or so. If you are out there drumming up business, and people are saying it takes too long to get to work in Kitchener or Toronto, just say, "Come to Windsor." We'd gladly host them. I don't want to give up on that.

Hon. Brad Duguid: I think I'm going to experience that potentially next Saturday when I visit a location in your riding that you're asking me to go visit.

Mr. Percy Hatfield: I am. Thank you.

Hon. Brad Duguid: So I will watch the traffic flow as I visit that location.

Mr. Percy Hatfield: Thank you, Minister.

The Chair (Ms. Cindy Forster): You have about three minutes.

Mr. Percy Hatfield: I would like to give that time to Mr. Hillier, if I could. He'd like to really get back on topic here—

The Chair (Ms. Cindy Forster): You can't do that, unfortunately, Mr. Hatfield.

Mr. Randy Hillier: But you can put it in the pot, and we'll share it.

The Chair (Ms. Cindy Forster): If you don't use it, it goes back into the pot and we use it at the end.

Mr. Percy Hatfield: I will gladly give it back to the pot. I've had my fun for the day.

The Chair (Ms. Cindy Forster): All right. So we'll move on to the government members. You have 20 minutes, Mr. Dong.

Mr. Han Dong: Thank you, Madam Chair. Minister, just for the past couple of sessions, there are a lot of questions being asked about MaRS. Sometimes it gets, in my mind, a little personal too. I just want this committee to hear from you. What are some of the economic benefits to the GTA and to Ontario that MaRS brings forward? I heard that you also mentioned the expert panel that you put together. I want to learn a bit more about the expert panel and the background of these successful candidates and how they were selected.

Hon. Brad Duguid: I appreciate that question. I think it's important to continue to go back to why the Ernie Eves government and Jim Flaherty as Treasurer invested in MaRS in the first place, and why the Paul Martin government invested in MaRS in the first place.

I'm a little shocked, to be frank, that some of our colleagues around the table on the PC side seem to be suggesting that that was not a smart investment and suggesting that their previous government was not responsible in making that investment. I differ from that. I think it was a good decision. I don't agree with everything the Ernie Eves government did, believe me. I ran very significantly on a platform that opposed most of what they did, but this was a smart investment. I'll give Paul Martin and his government credit for making that investment as well.

What it has attained to date, according to the analysis that MaRS has done, is at least \$3 billion of economic activity that has been stimulated through the activities that MaRS has been involved in. Some 1,400 start-up companies have been incubated or advised at MaRS. Many of them have some really interesting success stories going forward. It has been an important partner in driving innovation, job creation and economic development. They've indicated to date that they've helped create and generate over 6,500 jobs in the period of time that they've been in existence.

In 2013 alone, MaRS supported companies and ventures that raised \$415 million in capital, 78% of which came from private sources. People can quarrel with numbers and that kind of thing, but at the end of the day I think the conclusion that I certainly have reached is that investing in MaRS has been beneficial to Ontario.

I give our government credit for the fact that we passionately pursued that agenda of innovation and continued to work with MaRS in partnership and stimulate that growth at every opportunity. I give the previous government credit for putting in place the original vision. I've tried to get on the record a quote. And I think it's only fair. It is another government of a different stripe. I know it's unusual to praise the opposition when they were in government, but they seem to be going so far adrift from that original approach that I think it's worth noting.

I'll finish the quote that I was given earlier. This is from the Honourable Jim Flaherty, on April 22, 2003, shortly before we would have come to office. He said this: "Ontario is demonstrating leadership and foresight with this investment in the MaRS Discovery District. We are ... pleased that the federal government shares our vision by matching our contribution to this world-class medical and biotech research centre in Toronto. This initiative will accelerate Ontario's growth in research, innovation and commercialisation."

I think, with the numbers that I've shared with you, it shows that Mr. Flaherty's vision—not just his; it was shared by many others—was one that was going in the right direction. I'd suggest that we ought not to forget that kind of advice going forward.

There are others involved in that government as well. There was a gentleman by the name of Brian Coburn, Associate Minister of Municipal Affairs and Housing, on October 21, 2002. This is what he had to say: "The launch of this initiative is a powerful example of what can be achieved when you bring the private [and] public ... sectors together."

That's a lot of what MaRS is about. It's not easy. It's a fiercely competitive global economy. In the midst of all of this, we got hit with a global recession, something that we have never seen in generations. All of that was a very significant factor in the challenges that phase 2 faced.

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But at the end of the day, I think the vision still is something that ought to be considered. We haven't made any final decisions on what we're going to do here. I

think if we were to take the advice of the PC Party and just throw out that vision for MaRS, suggest that somehow that's not important anymore, that creating next-generation jobs just isn't a priority—I would suggest that they have a track record over the last number of years in taking that approach to sectors. It's not just the bio-science cluster that they're showing an incredible lack of support for. Look at what they said about the auto sector. What was the quote? "Let those plants close." That's what came from the opposition when it came to our efforts to ensure that the auto sector survived in this province—400,000-plus direct and indirect jobs at stake, and they wanted to just write those jobs off, as if they're not important.

Then I looked at some of the stuff we've done recently in terms of partnerships. It is important for the private and public sectors to work together. I think of the Cisco investment. I expect all of that could come out to about 3,700 jobs at Cisco. We're talking high-end IT jobs that are going to be with us for generations. They called that corporate welfare. I call that smart investment, building that next-generation economy.

I would suggest that we haven't made a final decision with regard to our investments in MaRS phase 2, and in terms of what we do, our next decision, I want the best possible advice.

You asked about the expert panel. Michael Nobrega: There's probably not a more esteemed individual when it comes to investments and real estate and knowledge of the innovation sector than Michael Nobrega. Carol Stephenson has had a stellar career, both professionally in the private sector and in academia. They're very, very respected individuals. I want the benefit of their advice.

The only object I have here is to make a smart decision on behalf of the public interest. I want to make sure, though, that we're not thinking short-term. My concern is that we get into this political dynamic, where the opposition are asking for this and asking for that, knowing that's something commercially sensitive. They know it before they ask. They know that there's no government in North America that would be able to put out a contract while you're negotiating it. That could very much harm the interests of the taxpayers, because it could very much harm those negotiations. It would be irresponsible for us to do that. It's just as irresponsible for them to ask for it. They know that they're playing political games with this.

We've got to get beyond the short-term political interests here and think about what's really important, and that's building a long-term, sustainable, globally competitive, North American-leading life sciences cluster. That was Jim Flaherty's vision. That was the vision of Paul Martin. That was the vision of our previous Premier. I believe that's also very much part, as economic development minister, of what my responsibilities are.

I think it's really important that we continue to build on our strengths in Ontario. Bioscience is a strength. Regenerative medicine is an area where we're leading globally. When it comes to things like medical tools and

medical equipment, we're innovation leaders in those areas.

We have a couple of young engineers out of Ryerson and the DMZ who have innovated and invented a walking wheelchair to allow somebody who's paralyzed to be able to get up out of a wheelchair and actually walk. It's seen as perhaps the best technology in North America for that.

That's the kind of stuff that we're producing. That's the kind of stuff, those kinds of innovative, disruptive opportunities, that MaRS is all about. The PCs may be willing to write MaRS off, to write off Jim Flaherty's vision and others'. I'm not willing to do that.

I'm willing to take the advice of that panel. If the panel were to come to me and say, "Look, your best bet here is to sell off your interest in the building and likely break even; it appears that's about where it would be," then we're going to have to take that very seriously.

I don't know what the panel is going to say at this point. I've told them, "I want unfettered advice, the best business advice, the best advice you can give me," so that I can make a recommendation to our government that's not just short-term political. Because, to be honest with you, the easy thing for us to do now would be to say, "The hell with the vision for MaRS. The hell with creating an innovative economy. The hell with next-generation jobs for our kids and grandkids. We want to just do what's easy for us politically. Let's just quickly sell off this building and be done with it." That would be a pretty easy thing for us to do. It would be over and done with. But I think we've got to think longer-term than that.

I think if we really care about what we're here to do, if we really care about building that next-generation economy for our kids and grandkids, that's something that necessitates that we—you know what? If I have to take a couple of more months of political challenge because this is complicated, I'm willing to do that, if that's in the public interest. I would really hope that, rather than take views or put out information that's misleading or not in keeping with the facts, like we've heard today at committee from the opposition side—the PC side, not the NDP side—they would want to take a longer-term view too, because I know that in their heart of hearts, they care just as much as we do about our future. Unfortunately, what they're doing is taking a short-term political opportunist perspective on this issue. I would much rather work with them. I've asked them numerous times, "What is it you would do with ARE?" Because every financial analyst I've talked to, everybody I've talked to in my ministry, everybody I've talked to in IO—virtually everybody that I've asked for advice on this that's looked at the same information we all have—has said, "It makes sense, Minister, to buy out ARE so you can get access to those important decisions." The only people who are placing doubt on that right now are the PC Party. They stand alone.

So I look to them. If they've got a position that's different, I'm open to hearing what they have to say. If

they've got information that I don't have, that financial analysts don't have and that IO doesn't have that this is somehow not the right thing to do for the public interest, we're at committee now. This deal hasn't closed yet. It probably doesn't close until around February. We've got time. If it's the wrong thing to do, if there's a direction that we're going in here that's wrong in terms of this buyout, I want to know, because we don't have to do this. We don't have to do this. But we're going to do what's in the public interest, and certainly in this case I've yet to hear anybody but my PC colleagues suggest otherwise.

Mr. Randy Hillier: Show me the evidence.

Hon. Brad Duguid: At this point in time, considering there's been no credible view given from the PC Party on this, I have to conclude that we want to hear what the expert panel has to say and get to a decision as quickly as we can on what is, I hope, a very exciting future for MaRS and our bioscience cluster, regardless of where we go with this decision in the end.

Mr. Han Dong: Thank you, Minister. Thanks for sharing all this information with us. I'm confident the expert panel will come forward with some unbiased advice for you.

You said that the previous government and the federal government shared a vision of MaRS. I too, as a local MPP—MaRS happens to fall in my riding, and I want to see the best coming out of it. The question is, should we keep investing in research and innovation, and support the incubators for small business in the innovation sector? I think the answer is yes. It doesn't matter which party you're from, whatever platform you have; we ought to realize that job creation is the number one job for the government at the provincial, federal and municipal levels.

I appreciate the opposition members' role to keep government in place and accountable. The member from Windsor-Tecumseh does it with class and has done a pretty good job. I listened to his questions; they're very much into details and numbers, and I appreciate the information shared between the sessions.

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But I also think that you can't oppose for the sake of opposing, and then, partisanship just kind of clouds your judgment. It's not what we were elected to do here. Again, thank you for that information. I'm very optimistic to know that you have your attention on this MaRS project, and I look forward to the expert panel's recommendations.

Hon. Brad Duguid: In response to your comments—how much time do we have?

The Chair (Ms. Cindy Forster): Five minutes.

Hon. Brad Duguid: In response to your comments, it's important, I think, for people to know that the views that I've put forward at committee are not mine alone. They're shared very much by a number of different folks in the private sector and public sector, by entrepreneurs and, if you like, I'd like to share some of those views with you so that they're on the record with committee, so that we know that this isn't an issue that's ours alone as a

government; this is something that's important to everyone in our economy.

I'll share with you some of those quotes, because I think it very much supports what you've just said. I'm going to share with you a quote from John Paul Morgan, the chief technology officer for Morgan Solar. This is what he had to say: "The importance of MaRS to the high-technology ecosystem in Ontario cannot be overstated.... Today my company employs over 50 people in Toronto, and we continue to grow. We are moving into a new expanded production facility and launching new products this year that will be manufactured in Ontario and exported. Building a successful high-technology company is an incredibly difficult thing to do." And this is important: He goes on to say, "Without MaRS, I don't know if we could have succeeded." That's a pretty good testament to the value of MaRS.

I'll share with you another one from Kunal Gupta, who is the CEO of Polar Mobile. This is what he had to say: "MaRS has been a cornerstone to supporting and building a culture of innovation and entrepreneurship in Ontario—they are a key player in our ecosystem. Today, Ontario is benefiting from the rise of many high-growth tech companies, like mine, and a lot of hard work has gone into building the right community, infrastructure and support networks by groups like MaRS. Our companies continue to be major contributors to job creation in the province, with a focus on knowledge-based workers that are helping our companies compete on a global scale."

So it's about taking our economy to that next-generation level and competing globally. MaRS is seen internationally very much as a centrepiece of our innovation agenda here in Ontario. There are a lot of other things happening on that file outside of MaRS, to be sure, and we talked about a little bit of that in some of the earlier questions about the corridor between Kitchener-Waterloo and Toronto and the work that's going on in Ottawa and throughout the province when it comes to that. But MaRS internationally is a bit of a flagship, kind of an anchor tenant in that innovation economy. It has a very important role to play, which is all the more reason why, as we're going through an exercise, that there's no reason why we need to scrutinize what happens in all organizations in the province, in particular, organizations that get funding from different levels of government. At the same time, we want to make sure we do that responsibly, that we're not impacting the reputation of those organizations internationally, because that doesn't serve the public interest in any way, especially if the criticism is not fair. In that case, it's something that I think we all have to take responsibility for, what we say and how we say it, and using rhetoric that is way over the top is not appropriate. For scrutinizing, auditing, making sure that the investments that we make in those organizations are getting good returns—100% valid. We all, on all sides of the Legislature, have a responsibility to ensure that has happened. When something goes wrong, like phase 2, we have a responsibility as well to correct it, and make the

best decisions going forward. I think, as a government, we've really tried hard to do that, respecting the great level of respect the private sector has for MaRS and also respecting as best we can the international significance on our reputation, going forward. It is a bit of a—

The Chair (Ms. Cindy Forster): You have one minute, Minister.

Hon. Brad Duguid: It's down to a minute. I'm going to close with this quote from Randy MacEwen, CEO from SPARQ Systems Inc., one of our more innovative companies here in Ontario. He says this: "The MaRS ecosystem has been instrumental in catalyzing and accelerating the growth of SPARQ Systems. Since engaging with the dynamic leaders" of the Cleantech practice "just last August, SPARQ has experienced substantial growth: new capital, new markets, new product and new management, and we're on course to triple our workforce in a little over a year."

Look, MaRS doesn't take credit for that whole thing by any means, but it was there to help and facilitate. That's what it's there for. My read of that is that they're doing a pretty good job doing that.

The Chair (Ms. Cindy Forster): Thank you.

Official opposition: We have just four minutes left. Mr. Hillier.

Mr. Randy Hillier: I'll try to be quick. Thank you, Chair.

Minister, on page 60 that you referred to in the estimates that identify MaRS, although it doesn't actually say MaRS, it gives an explanation for the change. Last year, it appears that there was \$5 million spent in capital assets, and this year you're budgeting—the estimate is \$324 million. You have on page 60, "Investment in land and building for government use." That's what the estimates say. You've already identified to this committee that that is for MaRS, \$317 million for government use.

Explain a little bit about this incubation of the research and the innovation, or, Minister, is it not that you've laid an egg on this thing? Your documents say quite unequivocally, clearly, "Investment in land and building for government use." That is the plan, to move Ontario public service and/or other agencies of the provincial government into MaRS 2? That's what your estimates say.

Hon. Brad Duguid: The member is entitled to his opinion, but the fact that MaRS has attracted \$3 billion in economic activity over its time in office is hardly something I would term as a failure. Fourteen hundred start-up companies being incubated—you ask about incubation.

Mr. Randy Hillier: "For government use."

Hon. Brad Duguid: Fourteen hundred start-up companies—

Mr. Randy Hillier: It's here in black and white. It's in black and white.

Hon. Brad Duguid: —that's very important to our economy. If the member was committed to building a strong economy, he would be positive about 1,400—

Mr. Randy Hillier: Sounds like we're building a strong bureaucracy.

Hon. Brad Duguid: It sounds like he's not in favour of incubating 1,400 start-up companies. I think what you ought to do is—this is not the old-time economy like you're thinking of that we're working in now. This is the next-generation economy where start-ups are an incredibly important part of it.

Mr. Randy Hillier: Minister, you've told this estimates committee on many occasions that you haven't developed a full plan for MaRS 2; you're considering many different components. You've suggested that there is not much appetite for moving government bureaucrats into MaRS 2, but here it is, right on page 60 of your estimates, that you're purchasing that building for government use.

Mr. Han Dong: It doesn't say that.

Mr. Randy Hillier: Right there, page 60: "Investment in land and building for government use."

Interjection: It's right there.

Mr. Randy Hillier: Right there. Open up the book.

Hon. Brad Duguid: The member—

Mr. Han Dong: That's not on page 60.

Mr. Randy Hillier: It's page 60 in my book. Is he giving different books to different members of the committee now?

Mr. Percy Hatfield: It's the last page. The last page in the book.

The Chair (Ms. Cindy Forster): One minute, Mr. Hillier.

Hon. Brad Duguid: The member can try to twist and turn wording any way he wants.

Mr. Randy Hillier: These are your words.

Hon. Brad Duguid: I've been very clear that our decision on MaRS 2 has not been made, and I've said that there is not a lot of momentum behind the idea of using it as swing space for public servants, but at the same time, we'll be subject to the expert advice—

Mr. Randy Hillier: You're asking us to vote on that.

Hon. Brad Duguid: —and that there's a number of options available to us. One would be to sell the building. One would be to continue with the current vision of MaRS as it gets leased up. Those are decisions we've yet

to make. I could not be more clear to the member than that.

Mr. Randy Hillier: Estimates should not be slippery like this, Minister.

Hon. Brad Duguid: The only thing slippery is your questions that continue to try to suggest there is something there that isn't.

Mr. Randy Hillier: They should not be slippery. When you write down something that you're planning to purchase for \$317 million for government use, don't tell the committee something else.

Hon. Brad Duguid: You can twist your words all you want.

Mr. Randy Hillier: Keep your story straight.

Hon. Brad Duguid: Well, you can twist and turn your words all you want.

Mr. Randy Hillier: That's what you've said. You've said to this committee that it's not intended for government use, and then—

The Chair (Ms. Cindy Forster): Twenty seconds, Mr. Hillier.

Mr. Randy Hillier: The vote is right there, vote 4004-04, "Investment in land and building for government use."

Hon. Brad Duguid: You can twist and turn your words all you want—

The Chair (Ms. Cindy Forster): Thank you. Time is up.

Hon. Brad Duguid: —but go by my testimony and go by what I've said and that will give you an accurate assessment of where we're at on this particular issue.

The Chair (Ms. Cindy Forster): Thank you, Minister.

We have two hours and eight minutes remaining for the estimates of the Ministry of Infrastructure tomorrow, and then we'll have a vote, time permitting, at the end of that session. Obviously, we don't have time to start the Ministry of Transportation, so that will start the following Tuesday.

We are adjourned.

The committee adjourned at 1230.

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STANDING COMMITTEE ON ESTIMATES

Wednesday 15 October 2014

COMITÉ PERMANENT DES BUDGETS DES DÉPENSES

Mercredi 15 octobre 2014

The committee met at 0901 in room 151.

MINISTRY OF INFRASTRUCTURE

The Chair (Ms. Cindy Forster): Good morning, members. We're here to resume consideration of the estimates of the Ministry of Infrastructure. There are a total of two hours and eight minutes remaining, but before we resume consideration of the estimates of the Ministry of Infrastructure, if there are any inquiries from the previous meeting that the minister or the ministry has responses to, perhaps the information can be distributed by the Clerk at the beginning, in order to assist the members with any further questions. Are there any items, Minister?

Hon. Brad Duguid: No, I don't have anything to provide to the committee today, but I can assure committee that we do take their requests seriously, and I've continued to advise the deputy minister to look at those requests to determine if he can identify documentation that could be released publicly, or to committee, that's not commercially sensitive. So he's continuing to work on that and he assures me that he's doing that at the fastest pace possible. Whether that information ultimately gets released to committee or just gets released publicly, either way we'll make sure the members have whatever it is we're able to release. He's doing that work now, and I hope sometime soon he will have some documents that would be available.

The Chair (Ms. Cindy Forster): When the committee adjourned yesterday, the official opposition had the floor. You have 16 minutes remaining in the 20-minute slot. I'll turn it over to Mr. Arnott.

Mr. Ted Arnott: Thank you, Chair.

I would first like to thank the minister and his staff for giving us about an inch of information here, I guess, that arrived on our desks at a previous meeting, including a long list of infrastructure projects. That was a question that I had asked, and I appreciate the work that went into it. Somebody had to stand at the photocopier for quite a while, obviously, to make this happen. Thank you.

But I do have to return to another question that has not been answered—satisfactorily, anyway, to the official opposition—and that is the minister's unwillingness to release the business case that MaRS sent to Infrastructure Ontario when it requested the loan of \$224 million. So I would like to ask the minister this: What is the normal procedure for organizations, perhaps like MaRS, that

want to apply for a loan, apply for money from Infrastructure Ontario? How do they normally go about this?

Hon. Brad Duguid: I think that's a fair question. To be fair, as well, I was aboriginal affairs minister, I believe, at the time—we're talking about 2010—when MaRS would have come forward to advise that phase 2 was challenged. I would expect that MaRS would have done some work to outline what their challenges were. The deputy now is looking into determining what documents may or may not exist with regard to that, and we'd be happy to—you know, as long as those documents aren't commercially sensitive, and I don't know that they would be or wouldn't be. I haven't seen any. But we'd be happy to share those documents should we find something with regard to that.

Infrastructure Ontario has a process that they go through, which they have released. I don't have it in front of me here today, but I'll certainly get it in a moment and outline to committee the process that they go through in terms of their consideration for these types of loan requests.

This was unique. The majority of loan requests that they would have through the program that this was administered under would be for municipalities, for the most part, for infrastructure programs. This was unique, and I can't speak necessarily to the thinking of the minister of the day or the government of the day at the time other than to suggest that when MaRS would have approached us with the troubles they were experiencing in phase 2, we as a government would have had a decision to make: Do we just let phase 2 die and not provide a loan to keep it going, or do we try to support phase 2 and do what we can in a way that's professionally administered? That is, our loan would be fully leveraged in terms of being guaranteed by the value of the property, so the taxpayers were protected.

The government of the day would have made a decision that we thought MaRS was very important to our innovation agenda, very important to our bioscience cluster, and that, given the fact that the government's investment here would be protected by the value of the property, it made sense to allow phase 2 to continue, knowing that there were some risks involved with that but that the taxpayer investment was protected.

So ultimately this would have been put through the Infrastructure Ontario rigour and due diligence that goes into administering these loans, which may well have con-

tributed to the fact that there was full security behind the loan at the time, because they likely wouldn't have approved such an endeavour without that security.

Mr. Ted Arnott: So there must be a business case that was put to Infrastructure Ontario when the loan was applied for. You were not the minister, you said, in 2010, yet you are the minister today and you have to answer for the ministry; that's part of your responsibility, as you know. You were part of the government in 2010, so if it was a government decision, you were around the cabinet table at least. But we still need to see this business case if we're going to be able to do our work as members of this committee, I submit to you. I believe that, given that it is a done deal—it is something that was submitted, apparently, in 2010 or around thereabouts—to suggest that there are sensitive commercial interests at play just doesn't hold water with me and I don't think it holds water, certainly, with the CBC, who have continued to ask for it as well.

0910

Can you go into some more detail? And if you can't answer the question, if you could rely on your staff: What exactly are the criteria that Infrastructure Ontario considers when they're considering a loan application—which you call unique because it's not from a municipality—upon which they make a decision to loan \$224 million of taxpayers' money?

Hon. Brad Duguid: Yes. As I said, I do have the criteria that I'll be happy to share with you that Infrastructure Ontario has used.

I do want to respond, though, because it's important, and I would think that all members respect—all governments of all stripes in all jurisdictions understand that when their ministry advises a minister that information is commercially sensitive that that does have to be respected. It's easy for the opposition to say, "That doesn't hold water." The fact of the matter is if a government starts releasing information that's commercially sensitive they could damage the interests of taxpayers, in particular when we're in the midst of a transaction—in this case we are with ARE—that has yet been closed.

In particular, it's very obvious when you're dealing with real estate transactions. All levels of government do not release commercially sensitive information when it's a real estate transaction. When we're asked questions like that, it suggests that it doesn't matter that something's commercially sensitive—"You should release it anyway"—and it puts government members and the minister in a challenging position. I understand that that doesn't make the opposition uncomfortable in any way, putting us in a challenging position, but we do have to stand up for the public interest here.

The public interest, with the best advice from my ministry, is to ensure that we behave as a responsible, professional government, and that businesses that want to do business with our government know they can do so without having their commercial interests jeopardized because they have a minister who's irresponsible and willing to—it would be easy for me to just say, "All this in-

formation is public; it's here for you." I wouldn't have to take your questions on it anymore. The challenge is that I don't know if there's a business that would ever want to do business with the government of Ontario in the future, so we have to be responsible about this.

What I can do is assure you that I've asked my deputy to look at the documents that we can identify, not all of which would be in the purview of our ministry, because the Ministry of Research and Innovation would have some carriage over MaRS overall—research and innovation is the lead on MaRS overall. We would have carriage over the transactions related to the loan, and we're doing our very best to identify those documents.

You talk about a business case. There would be information, I would expect, that would have come to the government that we would have based that decision on. I have yet to see that. I've asked the deputy to determine what information was available. He will do his very best to do that and will make public what he can. It may be that there is no commercial sensitivity with some of that material and he'll be able to make the entire document public, or it may be that there are some parts of the document he can't. I'm going to do my very, very best, because, frankly, we don't like to be in this position either, where we are accused of withholding information when we need to be responsible. I need to be responsible as a minister and take the professional advice of my ministry and deputy as to what could be harmful commercially if we were to release it.

I know you've got another question; I'll let you go on to it. I do have that information from Infrastructure Ontario that I would be happy to share with you.

Mr. Ted Arnott: Did the original loan deal, whereby Infrastructure Ontario loaned over \$200 million of taxpayers' money to MaRS, include a promise or a provision or a commitment that if MaRS was in default and couldn't make the loan payments that another ministry of the government—in this case, research and innovation—would pick up the tab, which right now is \$450,000 per month?

Hon. Brad Duguid: Correct; yes. And we've been, from day one, very, very explicit about that. That is one of the reasons why we are trying to address these challenges as quickly as possible, because the longer we go without addressing those challenges, that tab will keep running up. But I need—

Mr. Ted Arnott: Do you think that was a smart thing to do?

Hon. Brad Duguid: I need to add that that full amount will be fully recoverable, and is fully within the value of the property. So we expect that full amount to be fully recoverable from the transactions, depending on the decisions we make going forward.

Mr. Ted Arnott: If a bank loans someone money, or a company money, and in the original deal promises to find another way to make the payments if the person receiving the loan can't pay it, what incentive, then, does the person receiving the loan have to make the payments?

Hon. Brad Duguid: Well, in a sense you're calling into question the integrity of the board of MaRS when you say that—

Mr. Ted Arnott: No, I'm not.

Hon. Brad Duguid: MaRS is fully dedicated to fulfilling their mission—

Mr. Ted Arnott: Did the board sign off on the loan?

Hon. Brad Duguid: The incentive for MaRS is to be successful at their mission, and you know the folks on that board: They're very driven; they're very professional; they're very qualified; they're held in high esteem in the business community. And I've rattled off the members of that board; it's a very qualified board. So they have—

Mr. Ted Arnott: So you're saying that the MaRS board signed off on this loan?

Hon. Brad Duguid: What I'm saying—

Mr. Ted Arnott: You're suggesting I'm calling into question their—

Hon. Brad Duguid: Don't put words in my mouth. You're putting words in my mouth.

Mr. Ted Arnott: Well, what are you doing to me? Ever since we started.

Hon. Brad Duguid: What I am saying is that I don't think there was a lack of incentive for MaRS to make phase 2 succeed. They're very committed to doing that. There was a decision, made by government, to ensure that MaRS 2 does not collapse. It was a calculated decision, a decision that we felt is in the best interests of continuing to pursue our efforts to build a strong life sciences cluster and see what has been a success to date continue to succeed. And that was a decision that the government made, and to backstop—if you want to use that word, I guess—backstop the interest payments on the loan. I expect that would have been a requirement for Infrastructure Ontario under their provisions of approving this kind of transaction. That was a decision made by the government as a potential backstop, ultimately, for a very important investment to grow our bio-science cluster.

The Chair (Ms. Cindy Forster): Mr. Arnott, you have two minutes left.

Mr. Ted Arnott: Do you think it was a good idea to include that provision in the original loan agreement, that the provincial government would make the payments if MaRS couldn't make the payments?

Hon. Brad Duguid: I think that at the end of the day, had that provision not have been included, the loan wouldn't have been able to happen. Infrastructure Ontario would not likely have approved the loan and phase 2 would have then been in a state of, likely, collapse. At that point phase 2 was rotting in the ground, frankly, and without making a decision to move forward with phase 2 it would have been a failed project. As it is now, it was a challenged project that we've been able to save, if you want to call it that, with that loan, and now I think we ought to be judged by the results. And the results are not in yet. We still have a decision to make as to how we move forward, and we will be held accountable for that

decision, and ultimately the results will come out in the years ahead as we see how many additional jobs are created; and how many billions of dollars are attracted into the Ontario economy and the life sciences cluster here; and how our life sciences cluster grows. So that's ultimately how I think we ought to be judged on that.

The Chair (Ms. Cindy Forster): Thirty seconds, Mr. Arnott.

Mr. Ted Arnott: I asked you a question earlier, I guess the first day that the hearings commenced, and I asked if you were advised, or the government was advised, that it could have foreclosed on the original loan to MaRS and acquired the property without any further bail-out. That's based on a published report by iPolitics. And I would ask you again, since that question has not been answered, were you, or was the government, advised that it could foreclose on the loan without any further payout to the American partner?

The Chair (Ms. Cindy Forster): Very short answer, Minister, and then we're moving to the third—

Hon. Brad Duguid: That would have accomplished nothing because—

Mr. Ted Arnott: Just say yes or no.

Hon. Brad Duguid: It would have accomplished nothing because ARE still would have been in the way of being able to move those leases to market rent, which would have been a barrier to potential profitability for the project.

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The Chair (Ms. Cindy Forster): Thank you.

Mr. Hatfield: 20 minutes.

Mr. Percy Hatfield: Thank you, Madam Chair.

Good morning, Minister. Welcome back.

Hon. Brad Duguid: Good to be back again.

Mr. Percy Hatfield: I think when most people think of Infrastructure Ontario, they think of financing combined with tendering to build specific infrastructure projects. But we're discovering that IO has a loan program that provides loans in situations where Infrastructure Ontario played no tendering role and it wasn't for new infrastructure projects that they were involved with. The MaRS loan, I guess, is an example of that kind of a loan. Is that correct?

Hon. Brad Duguid: I believe so, yes.

Mr. Percy Hatfield: So I guess the distinction I'm making is that IO wasn't involved from day one; it was asked to provide a loan to bail out a failing project. Correct?

Hon. Brad Duguid: I couldn't confirm that IO wouldn't have been consulted prior to the loan proposal being brought forward. That was when they would have been definitely engaged. IO has a great amount of respect and expertise in commercial matters, so it is possible, and I don't know for sure, that the minister of the day may have asked IO for some opinions as they were looking at the information that MaRS would have brought forward to the government at the time. But I can't confirm that. I really wouldn't know.

Mr. Percy Hatfield: Am I correct in saying that the Auditor General is taking a close look at these loans and the oversight around those loans? Is that correct?

Hon. Brad Duguid: That's my understanding, yes.

Mr. Percy Hatfield: How many similar-type loans has IO made of this sort, say in the past three years?

Hon. Brad Duguid: I have that information. Since 2003, Infrastructure Ontario has provided \$6.3 billion to companies or individuals to help support \$11.3 billion in infrastructure development. That includes over 1,800 projects being delivered to over 350 companies across Ontario.

That's the information I have. For more details on that, I can certainly refer to the ministry and see if they have with them some greater details to respond to your question, if you like. There's a lot.

Mr. Percy Hatfield: Well, the question was to loans where IO wasn't involved in the tendering.

Hon. Brad Duguid: I'm sorry?

Mr. Percy Hatfield: Where IO was not involved from day one in the tendering of the project.

Hon. Brad Duguid: I'm not sure I understand your question.

Mr. Percy Hatfield: IO gets involved and makes loans available for projects that are going out to tender or that have been tendered out; people are getting involved and they're building infrastructure. But there is also the Infrastructure Ontario loan that goes out, in this case, to a project that was failing. I'm just trying to figure out how many times Infrastructure Ontario, if you will, helped bail out a failing project.

Hon. Brad Duguid: This program often is used in partnership with municipalities, in particular smaller municipalities that have a higher cost of borrowing for capital projects. So for the most part—I certainly may ask for some assistance from the ministry folks that are here to verify this, but my understanding of this program is that it has been utilized at great length over the last 10 years, particularly by smaller municipalities, to gain access to more affordable capital borrowing to pay for the capital projects that they bring on. Bigger municipalities would have access to comparable borrowing rates, so I don't believe, for instance, the city of Toronto would have accessed this. But I can't say for sure.

Mr. Percy Hatfield: No, but these municipal projects—that would have been for projects from the ground up. What I'm getting at is, MaRS 2 was up and running since 2010, right? It wasn't going anywhere. So IO stepped in and said, "We'll help you."

Hon. Brad Duguid: I couldn't say for sure that that would be the case. It's a program that's available for municipal borrowing, but—

Mr. Percy Hatfield: Okay. There's no municipality attached to MaRS, though.

Hon. Brad Duguid: But it's not restricted to municipalities. That being said, there's no question in this particular instance that the MaRS loan was an extraordinary circumstance, and this program was utilized by the government for its professionalism and its ability to ensure

that it could administer the loan in a professional way. I haven't been through the decision-making process because I wasn't minister at the time, so I can't say unequivocally, but I would expect the decision was made by government that this was an important investment to make to ensure our bioscience cluster continues to do well and ensure that MaRS 2 succeeds, and then determine that the best way to proceed with implementing that decision is by utilizing the professionalism that exists in terms of administering these kinds of loans with Infrastructure Ontario. I say that, recognizing that I wasn't there at the time.

Mr. Percy Hatfield: Right.

Hon. Brad Duguid: I am in some ways speculating on how I would have anticipated that decision to be made.

Mr. Percy Hatfield: Minister, perhaps somebody else at the table can provide more complete information on the Infrastructure Ontario loans that are given where they are not tendered out for projects; they just come in after the fact.

Mr. Giles Gherson: Essentially, Infrastructure Ontario has two programs. One is the AFP program, where it is essentially involved in the construction of the project, and that's using alternative financing, a financial process that we've talked about at the previous sessions.

The other sort of program it has is its loan program, where it provides loans to largely municipalities, as the minister said. I think over 235 municipalities have received loans. As the minister said, those are for projects that are not AFP financed. They would be regular realty programs.

And then about 30% of its loan portfolio is with universities and not-for-profits—mainly, I think, universities for projects there. This particular transaction fell within that 30%.

Mr. Percy Hatfield: Does cabinet approve all the loans that Infrastructure Ontario makes?

Hon. Brad Duguid: Let me just, in a very short time—the statement released by IO, I think, provides a pretty good response for you. It just outlines the process that they use and that would have been used in this case.

"The loan application for MaRS phase 2 followed the vigilant checks in underwriting that all loans go through, including third party due diligence that takes place before the loan is reviewed by IO. The loan application was then reviewed by IO's credit review committee and the credit and risk management committee of the board of directors of Infrastructure Ontario, which ultimately approves the loan."

I don't have information as to whether that kind of approval would go to or has gone to cabinet, but let me check with the ministry to see if they can answer that question now for you.

Mr. Percy Hatfield: Does cabinet approve all of the Infrastructure Ontario loans?

Mr. Giles Gherson: No, it's done through the IO board.

Mr. Percy Hatfield: Through the IO board.

Mr. Giles Gherson: Yes. There are broad criteria that I think have been made available publicly that are reviewed by the board to ensure that loan applications meet the credit risk assessment of IO.

Mr. Percy Hatfield: But who gives the oversight, Deputy, after the loan is approved by the IO board? Where does the oversight come in on that?

Hon. Brad Duguid: There have been multiple audits done, I believe, every year of these programs, so the programs are audited. Of the 1,800 projects, I believe it is, that have been delivered through this, my understanding is there is only one municipality that was challenged and wasn't able to repay the loans. So the record has been very, very stellar in terms of doing their due diligence and ensuring the loans are done in a good manner.

Mr. Percy Hatfield: MaRS is not a municipality but it's a registered charity. Have other registered charities received loans from Infrastructure Ontario?

Hon. Brad Duguid: I don't have that information; I couldn't say that there is or isn't. I don't know if the ministry would have any information about that.

Mr. Giles Gherson: As part of IO, there is a credit risk review committee that reviews loans overall, so that's a second sort of—beyond the board itself. Then there are the annual published business plans of IO itself, so information is made public every year.

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Mr. Percy Hatfield: Did MaRS tap into a municipal loan program, or is there another side program that's available to charities, not municipalities?

Hon. Brad Duguid: Again, I would have to check with Infrastructure Ontario to see just how unique this was, but I know it was a unique circumstance. I think we've been clear about that, and I've said this already. This was a unique circumstance and my understanding—I wasn't there at the time, but my understanding, thinking back, would be that we had a challenge here and a decision to make as to whether phase 2 ought to just be scrapped, which would have been really challenging for MaRS in terms of everything, all the work they're doing—

Mr. Percy Hatfield: Who initiated the loan? What's the background on—was there a cabinet decision not to let MaRS fail before there was any internal discussion of an IO loan to MaRS?

Hon. Brad Duguid: I'm hesitant to give you a—I can find that out for you in terms of, I'm just trying to think back now, and it would be very difficult for me—2010—to recall if and when cabinet made a determination on this. I can tell you the government did make a decision, and I'll verify for you exactly how that went through cabinet and when, but government would have made a decision that they didn't want to see phase 2 fail and that this is something that we would want to continue to invest in. The program would have been seen as the best vehicle to administer it.

Mr. Percy Hatfield: So the loan was the implementation of a cabinet decision not to let MaRS fail?

Hon. Brad Duguid: The decision to actually move forward with the loan, I expect, would have been—the loan still would have had to qualify and be approved by Infrastructure Ontario. I believe the decision as to whether to provide assistance for phase 2 and look to IO for their expertise on this would have been made by the government. Whether that would have been made as a cabinet decision or not—I would have to go back and check the record.

Mr. Percy Hatfield: So you're not familiar with whether cabinet made a second decision and approved the loan, or if not, who actually made the final approval around the MaRS loan?

Hon. Brad Duguid: I'm not familiar with the process that would have been used at that time. I'd have to go back and check the record to see what may have or may not have gone to cabinet.

Mr. Percy Hatfield: And you can give us that at the first opportunity?

Hon. Brad Duguid: Sure.

Mr. Percy Hatfield: What kind of information would have been contained in the submission document for approval?

Hon. Brad Duguid: Again, I couldn't speculate on that. I haven't seen it.

Mr. Percy Hatfield: All right. We've heard before about almost a revolving door of senior execs at MaRS. Is it true that there is going to be another change coming in September?

Hon. Brad Duguid: Again, I—

Mr. Percy Hatfield: The decision has been made that—was it Dr. Treurnicht? Is that how you say the name?

Hon. Brad Duguid: I'm sorry; Doctor—

Mr. Percy Hatfield: T-R-E-U-R-N-I-C-H-T.

Hon. Brad Duguid: Oh, Treurnicht. Okay, that's who you're talking about. No, I'm not aware of any such decision at this time.

Mr. Percy Hatfield: So the province or cabinet hasn't made that decision?

Hon. Brad Duguid: No.

Mr. Percy Hatfield: It could have been a MaRS board decision, if indeed one has been made.

Hon. Brad Duguid: I'm not aware of any decision with regard to the CEO's position at MaRS. The CEO has been there for some time. I think you referred to it as a revolving door. I really don't see it that way. The CEO has been there for a very long time. I don't know how many years, but many years.

Mr. Ted Arnott: Four CFOs in five years.

Mr. Percy Hatfield: I'm hearing from the opposition that there has been four CFOs in five years.

Hon. Brad Duguid: Well, again, I have no comment in terms of why a CFO might want to leave. People come and go from jobs from time to time—

Mr. Percy Hatfield: But you're telling the committee that you are not aware of any decision made by the MaRS board—

Hon. Brad Duguid: No, and the MaRS board itself has been a very steady group of sure-handed people. When you go through the people on the board, from John Evans, who was a founder of the board, to Gord Nixon to John Manley—

Mr. Percy Hatfield: Would it be possible for you to check with some of the people that you know on the board, to see if they have made a decision on somebody leaving and a replacement already being named?

Hon. Brad Duguid: Well, the board is independent. The board will make decisions as they see fit with regard to their CEO. You can check with the board yourself if you like, but I've heard nothing that would suggest that, at this point in time, the board has made any decisions.

Mr. Percy Hatfield: When the legislation was passed that set up Infrastructure Ontario, it allowed for loans to municipalities. Do you know how and why the legislation got changed to allow for a loan to charities such as MaRS?

Hon. Brad Duguid: Again, the mechanism of how—I would have to refer back to 2010 to determine exactly how that was done. I would fully expect, as you would, that it was done in an appropriate manner and that—

Mr. Percy Hatfield: You don't recall who initiated the changes?

Hon. Brad Duguid: No. As I said, I was aboriginal affairs minister at the time, so I really would not have been directly involved in any of those decisions, other than as a member of cabinet.

Mr. Percy Hatfield: But that would be public information, right? That could be given to this committee?

Hon. Brad Duguid: I don't know if that information even exists.

Mr. Percy Hatfield: Well, it must exist—

Hon. Brad Duguid: You're asking me to speculate on something—

Mr. Percy Hatfield: If the legislation was changed from just loans to municipalities to loans that would also be given to charities—if charities weren't mentioned in the original legislation—there has got to be a public record of how the legislation changed.

Hon. Brad Duguid: If there was a regulatory or a legislative change, there would definitely be a public record of that change.

The Chair (Ms. Cindy Forster): Mr. Hatfield, you have about two minutes.

Hon. Brad Duguid: If you're interested in seeing what that regulatory change was, it certainly would be something that would be available.

Mr. Percy Hatfield: You're about to go down to Windsor for part of the weekend. You're going to be going along the Herb Gray Parkway, I would think, at some point. What's the latest on the infrastructure deadlines on that parkway? Are we on time, on budget? When is it going to open?

Hon. Brad Duguid: I appreciate that question. I know it is one that's very important to you. Again, the Ministry of Transportation is the lead on that particular project. I'd

be happy, though, on your behalf, to get an update for you on the project.

My understanding is that things are proceeding, but I don't have a more thorough update for you than that, so I'd be happy to undertake to get that for you—

Mr. Percy Hatfield: Yes, sure. Thank you.

Hon. Brad Duguid: —at the earliest opportunity, from the Ministry of Transportation.

Mr. Percy Hatfield: I know that Infrastructure Ontario has been heavily involved with it—

Hon. Brad Duguid: Yes.

Mr. Percy Hatfield: —and the financing of it, so I just thought that there might be some information at your disposal, because they'd have to deal with the bankers, the lenders and so on, and they'd have to keep them apprised of where the progress was on that project.

Hon. Brad Duguid: In the past, as you know, the Minister of Infrastructure was also the Minister of Transportation, so it was the same minister you would have asked, either way. But I'm happy to undertake to get that update for you. I know it's an important project to you and Windsor.

The Chair (Ms. Cindy Forster): Thank you. We'll turn it over to the government members for 20 minutes. Ms. Hoggarth?

Ms. Ann Hoggarth: Good morning, Chair. My colleague Mr. Ballard reminded me this morning that this is the 60th anniversary of Hurricane Hazel.

Mr. Percy Hatfield: Hazel McCallion?

Interjection: Different hurricane.

Ms. Ann Hoggarth: Yes.

Hon. Brad Duguid: She's been around longer than that.

Ms. Ann Hoggarth: In that hurricane—it was the number one hurricane in Canadian history—81 people were killed. These kinds of disasters—ice storms, flooding, extreme weather—seem to be happening more frequently all around the world. What action is the government taking to make water systems, roads, bridges and buildings more resilient to climate change? Thank you.

Hon. Brad Duguid: I think that's a question that is being considered globally today by governments and businesses, from the insurance industry, which obviously has to take a great deal of interest in this, to businesses in general, to governments right across the continent, right around the world. There's no question that climate change appears to be having a significant impact on weather conditions, the severity of storms, flooding and weather changes that are causing us to have to take a look at everything that we do from an infrastructure perspective.

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They talk in technical terms of 20-year storms and 30-year storms and 50-year storms. I don't know what Hurricane Hazel was. It's something that I think we have to recognize is going to happen with some greater frequency, certainly across North America and probably around the world, which means we've got to plan for it. That's one of the reasons why the Premier appointed a

minister of the environment responsible for climate change: to ensure that, as government plans, whether it's planning our infrastructure investments or planning a number of other things that we do from an environmental perspective, we've always got our eye on that changing environment and that the infrastructure we're building is now taking into consideration the severity of climate change and the disparity of weather, everything from snow to rain to flooding to winds—all of that has to be taken into consideration.

We want to make sure that we get ahead of this. Most jurisdictions, I would argue today, are just coming to grips with the issue. We want to make sure that Ontario not only comes to grips with the issue but gets ahead of this, so we're making smart decisions when we're building everything from bridges to roads to developments. It's important for us to put this into our growth plan, which is part of our estimates today but ultimately won't be the responsibility of my ministry; it has moved over now to the Ministry of Municipal Affairs and Housing.

I'll give you an example of planning ahead with climate change being a significant factor. Here in Toronto, the Don Valley Parkway has been flooded a number of times in recent days. I'm not an expert on the Don River, but it would appear that that's a problem that is getting worse. Whether that's climate change related or not—I don't have the expertise to comment on that. When we are building development down in that area—and we've got the Parapan Am Games going there. It's opening the door to housing developments. That's a regenerating part of the city of Toronto, attracting billions of dollars of investments and some really exciting residential, commercial and office-type developments that are taking place in and around those areas. One of the investments we had to make was to build a very large berm at the side of the Don River, because we have to plan now for that potential flooding, and it's only wise to do that. You don't want to be investing the \$130 billion over 10 years that we're investing in infrastructure only to see a 30-year, 40-year or 50-year storm occur to destroy what we've invested in. There may be some additional expenditure in terms of infrastructure investments related to this. I think, though, that if that kind of thinking goes into the planning of these projects, at the beginning, that expenditure for the most part can be mitigated in better planning for these projects.

The reality is, we're living on a planet that has changed significantly in the last 50 years, and I think it's important for all governments to recognize that.

I'm really pleased that we have a member of cabinet whose eye is always on that ball, who's looking to the best information available globally, on behalf of our government—and that's Glen Murray—to ensure that the decisions we're making are smart and that the billions of dollars we're investing in infrastructure—and again, whether it's roads, whether it's bridges, whether it's water or waste water, which also can be impacted by that.

I know Councillor Balkissoon has done a lot of work on works issues in Toronto through the years—a very

significant impact, whether it's the preservation of our water table, which is so important, because these floods sometimes can intermingle runoff water with our fresh-water supplies, and we don't want that to happen.

So just about every piece of infrastructure we work on has some impact, potentially, by climate change in the years ahead.

I very much appreciate that question. I think it's really important that we continue to try to be leaders in that area.

Ms. Ann Hoggarth: Thank you, Minister.

The Chair (Ms. Cindy Forster): Government members: Mr. Ballard.

Mr. Chris Ballard: Thank you very much. Thank you again for some more enlightening information that you're putting on the table for us today.

I wanted to change gears slightly and talk about something that's near and dear to the hearts of residents in my riding of Newmarket–Aurora. As a town councillor in Aurora, I certainly heard time and again residents' concerns and questions about growth. It's a real hot topic.

I grew up in the area of Aurora. I remember when it was 5,600 people. It's now 56,000 people, heading for about 70,200, I think, by 2020. The other community in my riding has seen at least, I think, about a 70% growth since 1965, and it's heading to record heights: about 96,000 people in the coming few years. So there has been quite a lot of infrastructure that both municipalities have had to put in the place, the region has had to put in place and, of course, the province has put in place in order to accommodate that growth.

With the implementation of Places to Grow in our two communities—an excellent piece of legislation, I think, from a municipal councillor's perspective, coming from where I come from. It has allowed the communities to concentrate that growth instead of allowing for continued urban sprawl.

I guess the overall question I have, though, for you today is about the status of the Growth Plan for the Greater Golden Horseshoe. I'm wondering what you can tell me today about its status and where we're at with that.

Hon. Brad Duguid: The Growth Plan for the Greater Golden Horseshoe came into effect in June 2006. There's a provision in that act that triggers a review every 10 years, which is not that far away, when you think about it: That's 2016. That review needs to be under way no later than 2016. We're in 2014 today. We're less than 24 months away from that. So I think the member is wise to start working with his community—because I know Newmarket–Aurora is very interested in the growth plan because they're still growing areas.

I remember, when we initially came forward with the plan, a lot of the discussion was with municipalities that understood the need to strike the balance between curbing urban sprawl but allowing municipalities to also grow and, from a municipality perspective, expand their assessment base at the end of the day. So they were at times competing interests that for generations had no real

governor to bring it into a balance. The Ontario Municipal Board was there and there was a provincial policy statement in place, but at the end of the day, there wasn't an overall plan for growth.

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We know that the greater Toronto area is going to grow significantly over the decades ahead and we need to prepare for that growth. If we were to just allow it to go into ungoverned sprawl, it would be hugely impactful from an environmental perspective. It would be hugely costly, from an infrastructure perspective, to municipalities, and ultimately perhaps even to the province, because we fund some of that municipal infrastructure.

It was a challenge, when we brought that in, to strike that balance. We consulted greatly with municipalities like Newmarket and Aurora, and they participated in those discussions. You were a councillor at that time, I believe, but I don't—

Mr. Chris Ballard: Yes, roughly.

Hon. Brad Duguid: So you would likely have been engaged in some of those discussions and having to strike that balance that's in the interest of sensible, planned growth without significantly harming a municipality's ability to grow their assessment base and to plan their communities as they would have wanted to plan.

There were things like intensification targets that have been put in place. Municipalities found that challenging in the early days. Let's be clear: This was a piece of legislation that challenged us to do better. Municipalities, for the most part, have adapted well to the new legislation, which has been great to see. Ultimately, Places to Grow, our Growth Plan for the Greater Golden Horseshoe, has been seen North-America-wide as a model for growth plans. It works with other significant plans we've put in place that I know Mr. Ballard is aware of because he would have seen these come through in his municipal days, some of them right in his community: the Greenbelt Plan, the Oak Ridges Moraine Conservation Plan, the Niagara Escarpment Plan. Collectively now they are known as the greenbelt plans. They have come in during different periods of time.

The Big Move on transit is an important part of this as well. I know people think, "Well, that's transit. That's not growth planning." If we're not planning for transit, then we're going to run into the same problems. We're not prepared for the growth and our roads are going to be packed in and out of our communities.

It's also important to protect agricultural lands, resources and the environment.

That's what this act has done and continues to do. I know the member was involved and was aware of these from the municipal perspective back in 2005-06, and it's interesting now that you're here at Queen's Park and you are now part of a government that was, I think, able to strike the balance with municipalities, keeping in mind the need to curb urban sprawl and at the same time promote well-planned, good, sustainable communities.

Mr. Chris Ballard: Thank you. I know that one of the things we appreciated at the municipal level, especially

about population targets, was that there was some flexibility allowed. So our community of Aurora was not happy with the higher level, but we were able to negotiate, and both the region and the ministry allowed us to drop our numbers by 4,000 or 5,000 people, which made everyone happy. Similarly, in Newmarket there was that flexibility allowed.

I mentioned at the outset that the implementation of the Places to Grow Act has really focused our community of Aurora on revitalizing its downtown core, because it's on the major transportation routes. So we tie together that transportation that you mentioned—you can't have growth without adequate transportation. We tied that together with the Places to Grow, the intensification. In my humble opinion, and I'm a little biased, I think that our secondary plan that the town of Aurora put in place—we titled it the Promenade study because it's as much a vision for revitalizing the downtown core, utilizing the planning tools that the province has put in place. Personally, I think it's the best plan I've seen in terms of implementing the Places to Grow Act. Along with the employment retention legislation this government put in place many years ago, I think it's one that has really saved the bottom line of a number of smaller municipalities that were moving to move employment lands to residential lands. I know it has given our two communities a very strong ability to say no when a developer or an interested party wants to flip employment lands to residential.

So those are two key pieces of legislation that we were happy to see.

I know 2016 seems like a long way away, but we know 24 months will go by in a flash. We're looking forward to starting the thinking, at our end anyway, in our riding—

The Chair (Ms. Cindy Forster): Mr. Ballard, two minutes left.

Mr. Chris Ballard: Okay—in order to be prepared when the ministry comes forward.

Hon. Brad Duguid: I want to commend you and your colleagues who serve on council in those communities.

One of the advantages of having a son who plays Junior A hockey is that from time to time you have an excuse to travel from town to town and see some of the great things happening in some of our towns, in particular around the GTA and those around southern Ontario. The Aurora Tigers have a terrific facility there, so I have seen some of the construction in Aurora a couple of times last year. You can see that—

Interjection.

Hon. Brad Duguid: I think the Tigers beat them pretty badly the couple of times they went. Hopefully this year will be different.

Mr. Chris Ballard: Sorry about that.

Hon. Brad Duguid: Well, somebody has to win and somebody has to lose.

It's great when you go into a town and you see that revitalization happening.

I remember having a bit of a time getting around in the downtown core because there was so much construction

going on. That might be inconvenient, but it's a sign of revitalization.

Congratulations to you and the good people of Aurora and their council for the good work they're doing.

The Chair (Ms. Cindy Forster): Thank you, Minister.

We'll turn it over to the official opposition. Mr. Arnott, 20 minutes.

Mr. Ted Arnott: At the conclusion of the previous round that our caucus was allocated, I raised the issue of an article which appeared in iPolitics, by a writer named Mitch Wolfe. It appeared on June 6, 2014. The headline reads, "MaRS Scandal Shows Ontario Liberals Haven't Learned a Thing." Mitch Wolfe is a writer on Canadian politics. Interestingly, he was a political organizer for Senator Ted Kennedy and Senator George McGovern in the United States. I don't think anyone would accuse him of having Tea Party sympathies if he worked for Senator McGovern and Senator Kennedy.

In his article, he says:

"Due to the failure to attract tenants, the \$234-million loan to MaRS and its partner, a private American group involved with the construction and leasing of this MaRS ... tower, is in default.

"One of the options presented to the Wynne government was for Infrastructure Ontario to foreclose on its loan and take over ownership of the property. That would allow the government to sell the building and recover the taxpayers' investment.

"But, as in the gas plants scandal, the Wynne government chose to protect its own interests, its brand, its reputation and the reputation of its flawed MaRS program at taxpayers' expense."

Again, I ask the minister: Were you advised by your staff that you could foreclose on the loan without continuing to pour additional money into this money pit?

Hon. Brad Duguid: First off, I think it's unfair for the member to use a Kennedy connection, considering I named my son Kennedy. I think that's an unfair tactic—I say in jest.

I've responded to this question and am happy to expand on that response. We had a decision to make. One of our options would have been to foreclose on the loan and watch phase 2 fail. The challenge would have been that ARE would still be there in the mix and would still have the full rights to prevent us, when we foreclose and take ownership of the building—to bring down the potential leases to market rent. That building's value goes up exponentially as it is filled with tenants. The challenge is what's kept the value, and we've got appraisals at the current—you know, we have appraisals that we've shared the numbers with you on that range from \$303 million to \$330-some-odd million. Those are appraisals that are done before the tenancies are filled, which is at the lowest ebb of value for the building.

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So the advice that we've received from the panel that we set up—Michael Nobrega and Carol Stephenson—the advice that I've received from the professional real estate

experts, Infrastructure Ontario and my ministry and, frankly, the advice I've received from everyone that I've consulted, other than your party, has been that the wise thing from a public interest perspective is to acquire ARE's interests to enable the government to then pursue all of the other options and maximize the public benefit that will accrue from whatever decision we make, whether that be to sell the building outright, which we can do, whether that be to lease up the building and sell it at a greater value, which will be an option that Michael Nobrega and Carol Stephenson, I expect, are looking at, or whether it be to maintain ownership of the building and allow phase 2 to proceed in keeping with the vision of MaRS originally and the vision of your previous government and our government as to what we wanted to achieve through MaRS's mission.

So those are some of the options. There may be others that Michael Nobrega and Carol Stephenson may bring forward or recommend to me, but that's really why we would not have just sold off the building at that point, at its lowest ebb in value, without removing ARE from the equation.

Mr. Ted Arnott: I didn't say "sell it off." I said "foreclose on the mortgage."

The article goes on, "Until the election was called, the Wynne government was proceeding quietly and secretly to pay the unnecessary sum of \$70 million to MaRS's American partner for its equity interests, which the Wynne government had the legal right to foreclose on without payment. Another \$100 million in public money would be required to fix up the building for new tenants and carry its operating losses for the next several years.

"When confronted by this very embarrassing secret deal, Wynne tried to pass off the deal as a means to consolidate Ontario government office space downtown."

That contradicts what you just told me in your answer.

Hon. Brad Duguid: I'm sorry, how so?

Mr. Ted Arnott: Because the article suggests that they could have foreclosed on the deal and bought out the American partner.

Hon. Brad Duguid: Sorry, we could have foreclosed on the loan?

Mr. Ted Arnott: Foreclosed on the loan.

Hon. Brad Duguid: And bought out the American company?

Mr. Ted Arnott: And the American partner's interest would have been set aside.

Hon. Brad Duguid: Well, no. That's incorrect. How could that happen? You can't just buy out a loan and have a third party that has an interest in the project see their interest just disappear. When you have an—

Mr. Ted Arnott: You're saying this article is incorrect?

Hon. Brad Duguid: Yes. If that's what the article is saying, it's incorrect.

Mr. Ted Arnott: Okay. Now, you continue to say that the MaRS concept has generated billions of dollars of investment and thousands of jobs. You used the figure \$3 billion of investment. How much of the \$3 billion of in-

vestment that you talk about is related to phase 1 of MaRS and how much is related to phase 2? How many of the thousands of jobs that you say have been created are related to phase 1 of MaRS as opposed to phase 2?

Hon. Brad Duguid: Well, phase 2 isn't in operation yet. Because of the challenges that it's faced, phase 2 hasn't really gotten off the ground. So what MaRS is referring to when they talk about the \$3 billion that they've generated in terms of economic activity—I believe they say 6,500 jobs that they've helped to support or create or generate over their time. They talk about, just in 2013 alone, \$451 million in venture capital that's been raised to support start-ups and companies here in Ontario. That's all—to the best of my knowledge, they're referring to phase 1. Phase 2 is not yet at a stage of completion to contribute to that, and that's part of why the government made the decision it did to not allow phase 2 to just collapse, because there has been success in phase 1, and we're confident that, over time, phase 2 will also be successful. It got hit by the recession; it changed the dynamics of its business plan—there's no question. We could have just let it fail. We decided that that would not be in the public interest, to do that. Certainly, we expect to be held accountable ultimately for that decision. We would hope, though, that before we're held to account for that decision, there will be some allowance of seeing what the results are of that decision.

Mr. Ted Arnott: So phase 2 has been a failure to date?

Hon. Brad Duguid: Phase 2 had some challenges, and it would have failed had the government not supported it.

Mr. Ted Arnott: I want to ask about a few local infrastructure projects in my riding, and bring these to your attention. I assume you're informed of the various infrastructure projects that are before the government's consideration: the Groves Memorial Community Hospital, the new hospital that we're planning for Centre Wellington township, which we hope to see built before 2018, which is the government's commitment.

There is a need for sewage treatment in the communities of Erin and Hillsburgh, in the town of Erin—the built-up areas of Hillsburgh and Erin, with approximately a combined population of 4,500 people. We're hearing estimates that proper sewage treatment for those two communities would be upwards of \$58 million, which the community can't afford on its own. They're going to require support from the provincial government to proceed with that project. I'm certainly going to support whatever application comes forward by the town of Erin.

Of course, the Morriston bypass that you may be aware of because I've raised it in the House many times: We were very encouraged during the special summer sitting of the Legislature when the Premier, in response to a question from my colleague the interim Leader of the Opposition, mentioned—I don't want to paraphrase her words inaccurately, but I believe the gist of what she said was that it was an important priority. We're very encouraged to hear her say that. Obviously, if it's some-

thing that the Premier is going to reference in the Legislature as an important priority for the province, we would expect to see that, then, put on the five-year plan, the southern highways program for the Ministry of Transportation. We would ask for your help and support in that respect.

But I also need to reference the cancellation of the Connecting Link Program, because that's been a huge issue for many small-town communities and larger communities across the province. In fact, for the township of Centre Wellington, there is a bridge over the Grand River in downtown Fergus called the St. David Street bridge. It needs substantial repairs and renovations. The township had it on its plan. They were planning to do the work. They anticipated and expected, because the Connecting Link Program had been there forever—going back to 1927, I believe—that the provincial government would make good on support, being part of that project, up to 90% of the costs. The bridge project is estimated to be \$2.6 million, and it really needs to be done within the next two to five years. The cost of the additional work would be \$1.2 million.

The town of Halton Hills had a five-year capital program which included \$9.3 million in needed projects along their connecting link roadway, which is Highway 7. But the government, by arbitrarily and surprisingly cancelling the Connecting Link Program, left a whole bunch of small municipalities high and dry. I know that your answer is most likely to be the new infrastructure programs that you have introduced for small and rural municipalities, but, quite frankly, the needs are far in excess of the money that you have set aside for the small and rural municipalities, in my view. I've got a significant number of projects in my own riding that would eat up much of that money—just in my riding alone—and the application-based process isn't going to cut it.

What are you prepared to do to help these small, rural municipalities to receive the infrastructure funding that they're going to need to do the projects that are necessary in small communities across the province, including Wellington-Halton Hills?

Hon. Brad Duguid: I appreciate that question. It's one of the challenges we faced when we came into office in 2003. We had a huge infrastructure deficit across this province. One of the problems was that the previous government just failed municipalities abysmally when it came to downloading onto municipalities, increasing their costs, which very much cut into municipalities' ability to fund their own infrastructure projects, because they were too busy trying to backfill for the dollars that the province had taken from them.

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I know that for a fact, because I was a city councillor in Toronto at the time. Billions of dollars had been taken from the city by Mike Harris at the time, a very challenging time. There's no question that municipal infrastructure was set back during that government, which pulled out of important infrastructure projects like public transit

entirely. We're really working hard to try to catch up now.

It's 10 years later. We've invested \$100 billion in infrastructure—record amounts—in partnerships with municipalities. In some cases we've gone it alone; in other cases we've had some federal partnership, which has been helpful. I think the most important thing we can do today when you look, going forward, at the programs—including the \$100 million per year that we've recently committed at AMO for municipalities for important projects like roads, bridges and important municipal infrastructure—is to encourage our federal colleagues to ensure that we have a viable federal partnership.

We're investing \$130 billion over 10 years. The federal government is investing, including in their own buildings—if you take away their own buildings, they are investing in the range of \$40 billion, I think it is—

Mr. Giles Gherson: Forty-seven.

Hon. Brad Duguid: —\$47 billion in infrastructure projects across the country. So \$130 billion from the province of Ontario in Ontario, and \$47 billion from the federal government. That's woefully inadequate, and challenging for us.

So I agree that there is a need for more investment in municipalities. It wouldn't be the province that's not investing enough. We're investing record amounts, more than any other jurisdiction, certainly in Canada, if not North America. But there is a need for the federal government to come to the table. If you include the federal buildings themselves, that puts them at about \$70 billion, compared to \$130 billion over 10 years, with that \$70 billion being right across the country, not just in Ontario.

So I know the member is going to work hard with his colleagues in Ottawa over the coming year, especially with this being an election year, to see if we can turn up the pressure on our respective federal parties to make commitments in the federal election to properly fund infrastructure in Ontario.

Mr. Percy Hatfield: We're with you. We're there already.

Hon. Brad Duguid: You are?

The Chair (Ms. Cindy Forster): Mr. Walker, you have about five minutes.

Mr. Bill Walker: Thank you very much. Minister, a pleasure to be back and have some chats with you again.

Hon. Brad Duguid: It's great to have you back.

Mr. Bill Walker: You referenced making some travels across the province with your son for major junior A hockey. I hope that when you're coming to Owen Sound, to the Attack, you'll give me a shout, because I'd love to tour you around.

I'll be able to show you that Markdale Hospital that I talked about last week. I'll be able to show you the Georgian College marine emergency duties program. I'll be able to show you the Wiarton Keppel Airport, the broadband issues, and the roads and bridges. We're in excess of about 180 bridges, just in Bruce and Grey counties alone, that are all of that vintage and need to be replaced. Any time that you're coming up there with your

son to watch hockey, I'd be pleased to tour you around and personally give you a tour of all those needs in our area.

Minister, I believe my colleagues, in the last number of days, have been asking you the questions. I'm going to try, just as a new face, to ask you if there is an upper limit for the MaRS building, and, if so, what is that dollar value?

Hon. Brad Duguid: Well, in the estimates there is an amount that was estimated as \$317 million. That was what was estimated as what could be the costs over time, but we've been clear that that was an estimate.

I've outlined from day one the investments that have been made: the loan of \$225 million—I'll get the exact figures for you; the amount that is ongoing, which is the amount that the Ministry of Research and Innovation has to pay for the interest on the loan; and the amount, which I think is in the \$16-million range, for the land itself, which I understand is valued much, much higher than that—just the land, without the building. There's another area too that I think I've—the debt service payments, which research and innovation would be responsible for.

Mr. Bill Walker: You have estimates—and I don't mean this in a smug way. You also estimated \$40 million for a gas plant which ended up being a billion dollars. I continually hear about that in my riding. The reason why I continue to hear that is people are not getting the services, whether it's in social service, which I am the critic of now, or in health care in a lot of cases. So my concern is if you reach whatever that north limit is that you say it is and it still escalates, like the gas plants, are you going to prepare to go back to Treasury Board and cabinet and ask for more money? If you are going to do that, will you be forthright with the people of Ontario and tell them what services and programs are not going to be available to them at the front-line of health care? Because you've got to take it from somewhere. You're running a \$12-billion deficit already. You can't just keep going back and borrowing and borrowing.

Again, one of the concerns I have is how much we're already borrowing against our children and grandchildren's future. It's great to hear you say you're spending \$130 billion over 10 years, but that's not money you have in the bank. That's borrowing against it. My concern is where, if you go over that limit—and again your track record is not exactly stellar with that: eHealth, the gas plants, Ornge; you know, I could go on for a couple there that certainly you estimated and it was a much different figure at the end of the day that was paid by the taxpayer. My concern there is that you could have, as my colleague said, used a foreclosure clause. Again, I believe there was one of those in the gas plants that was not triggered, which cost the taxpayers a billion dollars. So I'm very concerned.

The other piece I just want to put on record is that it's interesting to me that you would move Public Health Ontario, four floors of an infectious disease lab, into the most populous part of our province. You're talking about the building is valued—and this Ernst and Young letter

that we've got here this morning says current value, yes, you're on target, but if you bring infectious diseases—you can bring things like SARS, you can bring in the West Nile virus and do studies, you can do lab tests and those types of things. You're doing it in the most populous area. Who in Ontario or even outside of our jurisdiction is going to move into that building? So that resell value: What's the impact if you bring that there, then you want to, somewhere down the road, resell it? What's the value of that resell value when you've brought infectious disease labs—four floors of it—into that building and what's the other reality of the probability of even getting people to look at that building? It just seems to me very interesting that you would bring that type of an operation into downtown Toronto, the most populous part of our province. Have you thought, with those valuations, and as Ernst and Young looked at that, what the real reality will be when you try to resell it or re-lease it or even lease it to new tenants who may actually say, "There's not a chance, if you're playing with things like West Nile virus, that I'm bringing my staff or my staff's family into that type of a building." I have really big concerns there.

The other piece, I guess, that I've heard is you're actually lowering a lot of the leases. Are you at least going back to Public Health Ontario and renegotiating their lease to save them some money, which I trust is mostly funded from your government?

The Chair (Ms. Cindy Forster): Minister, you have one minute.

Hon. Brad Duguid: All good questions, and I encourage you to ask them again in the next round, assuming we have another round today—I assume we do—because many of them merit fulsome answers.

Let me just, in my 30 seconds left, caution you on the Public Health Ontario information that you have. It's incorrect. Public Health Ontario has very, very extensive protection when it comes to the work they do. We're talking about space that will be used for labs, and that's exactly what the space is made for, whether it's private sector, whether it's university research, whether it's Public Health Ontario, and they have given full assurances that there is absolutely no impact on safety in that building as a result of the work they're doing. You've had colleagues who have speculated on that, and I would suggest they're doing the public interest a huge disadvantage, because when they put out misinformation on that—and you didn't; you're asking me a legitimate question—that does potentially scare off tenants, because they're being misinformed. So—

The Chair (Ms. Cindy Forster): Thank you, Minister.

Hon. Brad Duguid: I'll just close. I strongly recommend that perhaps Public Health Ontario—maybe yourself or your critic might want to just update themselves with Public Health Ontario to get the assurances they need, because that information by and large is incorrect.

The Chair (Ms. Cindy Forster): Mr. Hatfield, 20 minutes.

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Mr. Percy Hatfield: Thank you, Madam Chair.

Minister, if I can go back—I'm still a little bit unclear on the answers to my question on the legislative changes back in 2010 that allowed MaRS to access a program that previously was only for municipalities. I'm just wondering if you have an expert in the audience, any official who has knowledge of these changes, who could come to the table and answer some specific questions on those changes?

Hon. Brad Duguid: I'll certainly refer that to the deputy.

I've been very clear and upfront about this. I think there's no question that this was a unique circumstance. It was something that the government determined was important for us to do to ensure that phase 2 could succeed. We had a decision to make: to let phase 2 just collapse, or, as a government, to look to find some way to support the challenges that they were going through in a determined fashion, to help phase 2 succeed.

The results of that decision are not yet known. Ultimately, we're awaiting some good advice from our expert panel in terms of what next steps to take. Based on that, that's where we'll be able to determine where the results are going.

Now that the deputy has had an opportunity to think about your question a little bit more, I'll refer it to him to see if he has any further information for you.

Mr. Giles Gherson: There were two regulations that have been passed pertaining to the IO loan program. The first one set out a list of criteria of eligible entities to receive an IO loan—to make an application for an IO loan. Those entities included: a municipality; a university; a federated or affiliated college of a university or other post-secondary educational institution; a corporation incorporated under the Municipal Act, 2001, or the City of Toronto Act; a corporation incorporated under the Electricity Act—so you can start to see the kinds of organizations that were deemed to be eligible for the IO loan program. I won't go through the whole list.

A second regulation—

Mr. Percy Hatfield: Well, was a charity or the MaRS Discovery District—

Mr. Giles Gherson: Yes, there were a series of types of not-for-profits that were set out in the regulation as eligible entities: a not-for-profit organization that benefits the public, for example, and so forth—

Mr. Percy Hatfield: Which act or regulation of the act? Was that changed? You mentioned—

Mr. Giles Gherson: There was a subsequent regulation that then allowed MaRS to become an eligible corporation—

Mr. Percy Hatfield: What date would the subsequent regulation have come in?

Mr. Giles Gherson: I believe it was—

Interjection: In 2010.

Mr. Giles Gherson: In 2010.

Mr. Percy Hatfield: Do you know the month?

Mr. Giles Gherson: I'll just get that for you.

Then, having—

Mr. Percy Hatfield: That was before the loan was—

Mr. Giles Gherson: Correct.

Mr. Percy Hatfield: It wasn't a retroactive kind of thing?

Mr. Giles Gherson: No.

Interjection.

Mr. Giles Gherson: The loan was issued in 2011.

Mr. Percy Hatfield: Can you tell me who initiated the changes?

Interjection.

Mr. Giles Gherson: It's a cabinet decision to change a regulation. So cabinet made that decision.

Mr. Percy Hatfield: In 2010, you found out that MaRS was in trouble. Cabinet, I guess, decided to make a change in regulations. Was it done just for MaRS, and all these other things that were listed, or were these things going to be—the regulation was going to change anyway, and as an afterthought MaRS was added into it? Who initiated the fact that changes needed to be made in order for IO to issue loans to other than municipalities?

Mr. Giles Gherson: Just one second.

So at the time, the Minister of Infrastructure brought forward that proposed regulation to cabinet.

Mr. Percy Hatfield: The Minister of Infrastructure brought it forward just on the MaRS—

Mr. Giles Gherson: For that second regulation, yes.

Mr. Percy Hatfield: For the second regulation for MaRS?

Mr. Giles Gherson: Yes. The 2010 regulation.

Mr. Percy Hatfield: Who was the minister back in 2010?

Mr. Giles Gherson: I was in a separate ministry at the time.

Mr. Percy Hatfield: Was that Bartolucci? No, Chiarelli?

Mr. Giles Gherson: Yes, I understand it was Minister Chiarelli.

Mr. Percy Hatfield: Chiarelli, right. And how many loans have been offered to non-municipalities under this program?

Mr. Giles Gherson: I believe 78 not-for-profits.

Mr. Percy Hatfield: Seven to eight?

Mr. Giles Gherson: Seventy-eight.

Mr. Percy Hatfield: Seventy-eight. Not-for-profits?

Mr. Giles Gherson: Not-for-profits that have received loans from Infrastructure Ontario, totalling around \$950 million.

Mr. Percy Hatfield: And they've all been—none of the ones other than MaRS have been in default?

Mr. Giles Gherson: I believe that's correct, yes.

Mr. Percy Hatfield: On another issue, I guess, what studies or evaluations have been done that provide a, if you will, statistical assessment of the economic benefits of MaRS? Could you please provide the exact names of the studies and table them with this committee.

Hon. Brad Duguid: Those are studies that MaRS would have—may have completed, or may have commissioned. I would expect that if that's the information

you're looking for, it's information that you may be able to obtain either on MaRS's websites or through MaRS, but it's not information that I would have in my ministry, certainly not—

Mr. Percy Hatfield: If you pick up the phone this morning or this afternoon—

Hon. Brad Duguid: The Ministry of Research and Innovation could have done some work on that; I honestly couldn't say.

Mr. Percy Hatfield: I'm just thinking that if you pick up the phone and ask for those documents, you're more apt to get them for this committee than I am.

Hon. Brad Duguid: They put out an annual statement every year, and often that type of information is included in their annual statements. Just recently, they've published information on some of their successes to date and that included the \$3 billion that they've estimated that they've brought into the economy and the thousands of jobs they've created and the 1,400 start-up companies that have come through. So that's the kind of information that MaRS would produce.

Mr. Percy Hatfield: I'm not trying to throw mud here at all, but my information is, or my understanding is, that the success stats that were on the website initially, on the MaRS website, were substantially changed when questioned by the media. To substantiate those statistics, all of a sudden that part of the Web came down and new pages went up with less than glowing statistics than were originally posted.

Hon. Brad Duguid: I haven't seen any statistics that would suggest that MaRS has not been successful. I do recall there being some information that was questioned by some with regard to MaRS, but to be frank, that's an issue that MaRS was dealing with on their own and probably a matter of opinion. But at the end of the day, we know MaRS has created thousands of jobs, we know that there's been 1,400 start-up companies that have come through there. I have testimonies with me today from many of those companies that have succeeded and given much credit to MaRS and their programs for their ability to go from a start-up to a business. And we do know that they've generated billions of dollars in economic activity. Whether it's \$3.14 billion or \$2.78 billion, to me the fact of the matter is that they have been value-added in terms of the bioscience cluster.

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The vision for MaRS: As I've said before, we can take credit in taking it into action and implementing it, but it was a previous government that participated with many in the community, including the federal government of the day, in actually founding it. There are very few people who would say MaRS has not been successful. There are people who might argue about different ways we could—

Mr. Percy Hatfield: It's MaRS 1 we're talking about. Right?

Hon. Brad Duguid: Yes. There are different ways we could have achieved similar success. At the end of the day, MaRS is there. They've accomplished a lot, and

we're proud of what they've accomplished. I'm less inclined to quarrel with whether it's 6,500 jobs created or 6,300 jobs created. At the end of the day, they're doing some good work.

Mr. Percy Hatfield: And funding over the years—correct me if I'm wrong—has been based on economic benefits flowing from the MaRS investment, as confirmed by the studies and the reports. Is that correct?

Hon. Brad Duguid: Well, funding over the years—there were the initial investments made in MaRS. There are a number of different ways the government would have partnered with MaRS, or agencies of the government would have partnered with MaRS. In many cases it would be partnerships. MaRS has done a lot of work that's independent of government funding as well. They've really done a good job in terms of stimulating venture capital, where they've brought in a lot of private sector capital to leverage for start-ups. I think they set up a clean tech fund that's largely independent, if not entirely independent, of government funding.

I would have to go back and look at the different areas where the government may have contributed some funding to MaRS over the years, but much of it—I'm speculating here—would have been on a project-by-project basis. It may well be that the Ministry of Research and Innovation may well have some more detailed information about some projects they may have participated in. But a lot of what MaRS does they do independently as well.

Mr. Percy Hatfield: I guess I'm looking at, if indeed the results of the MaRS projects were less than what most people believed, then funding for MaRS projects would have been somewhat diminished because the reports wouldn't have been as glowing. Is that not a possibility?

Hon. Brad Duguid: I would suggest that the consensus that I have seen, and my conclusions in seeing how MaRS has succeeded, would lead me to conclude that the investments that have been made in MaRS have resulted in a great deal of job creation and a significant private sector investment in our economy, particularly in our bioscience cluster.

When I travel abroad, and I do as part of my economic development portfolio and I did when I was in this post before, one of the first topics that comes up internationally is that people want to know about MaRS. It's one of, I believe, six organizations globally doing this kind of work. It is seen internationally as a model. When people from abroad travel here, that's one of the first things on their list to visit and to look to do in other jurisdictions.

There are always different opinions on everything, I'm sure, but my conclusion is that MaRS to date has been successful in championing our bioscience cluster in Ontario. We want to see it continue to succeed because that is very much an important part of our next-generation economy. As our economy goes through a transition, that's a sector that we ought to continue to focus on.

Mr. Percy Hatfield: That's why the decision was made not to let MaRS 2 falter, if at all possible. The government would step in. Right?

The Chair (Ms. Cindy Forster): Mr. Hatfield, you have three minutes.

Mr. Percy Hatfield: Thank you.

Hon. Brad Duguid: Yes. There's no question, the importance of growing our bioscience cluster: That's what the investments we've made are all about. I think your party has been supportive, more or less, of those types of investments, because that is investing in that next-generation economy, the jobs of the future, and staking our claim in North America as a very significant, globally significant, cluster for bioscience development.

It's not by accident that we're a global leader when it comes to regenerative technologies and medicine. It's not by accident that we're a leader when it comes to medical equipment technology. The work that we see happening in our colleges and universities—the University of Toronto is one of the top six publicly-funded universities in the world for research—happens because we're stimulating, working with the public and private sectors to grow a very significant research cluster here. That's important.

Mr. Percy Hatfield: I don't disagree.

Hon. Brad Duguid: We agree on that.

Mr. Percy Hatfield: My final question would be, has there been any evidence whatsoever in any internal evaluations that the success metrics used publicly have been inflated, presumably to keep the government funding tap going?

Hon. Brad Duguid: No, I've seen no evidence of that at all.

Mr. Percy Hatfield: None at all?

Hon. Brad Duguid: No.

Mr. Percy Hatfield: Thank you, Minister.

The Chair (Ms. Cindy Forster): We move to the government members. Ms. Kiwala.

Ms. Sophie Kiwala: As a new member, I've been giving considerable thought to the management and planning of infrastructure projects. I have thoroughly enjoyed the learning and, in fact, have been most intrigued by the conversation in this committee. I don't need to tell anyone here that infrastructure planning is critical to the viability of our communities in the future.

In order to underline that fact, I would like to illustrate just two points. We have an old school in Kingston that has asbestos in the walls. They've got lead in the pipes. They've got a janitor who comes in at 7 o'clock in the morning to run the water. Fortunately, we do have two new school projects that are coming under way in the near future, and we're looking forward to that investment in our community.

The other infrastructure project that is critical in our community—I know you can't comment on specific projects, so that's fine; I'm not going to ask you that. I will later, though.

Hon. Brad Duguid: Go ahead. Everybody else does.

Ms. Sophie Kiwala: I'm going to respect the rules here.

It's the third crossing in our community. We have a causeway that separates the central part of Kingston and the Islands from the eastern part. Whenever there is a situation on the 401, the 401 is closed, and depending on where that accident might happen, traffic is rerouted through the city. Our downtown core is very small, and we are instantly paralyzed. I shouldn't be talking about paralyzed traffic in a place like Toronto, but in Kingston, we're not well geared up for it, and it's very, very difficult to cope with. Emergency vehicles have a problem getting through. It can be quite serious.

I can't express how important it is, and I know you know, obviously, how important setting this infrastructure framework is for our future. Since 2003, we have invested \$100 billion in infrastructure spending, including hospitals, schools and transportation. In addition to that, we've committed to \$130 billion in more spending over the next 10 years.

I'm so glad that you've touched on the importance of a solid federal partner in our infrastructure planning and investments. With my federal political background, I'll always be looking for ways that we can create positive relationships in that regard to maximize what we get for our communities.

But I was wondering if you can tell me what is happening with Ontario's long-term infrastructure planning. Is it time for an update?

Hon. Brad Duguid: Thank you for that. I'm happy to respond. I want to begin by acknowledging how, as a rookie MPP, it's obvious that you're not a rookie when it comes to local issues in your community. I think the work that you did before, working at the federal level, has probably provided your constituents with a great deal of good experience and knowledge on the ground of some of the important priorities in your community.

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We talk a lot at Queen's Park about the larger issues. At the end of the day, an important part of our job is understanding the priorities in our local communities and doing what we can here to ensure that government decisions and government programs address those challenges. Without that kind of local input, it's very possible for a government infrastructure program to sometimes miss the mark and not address some of the priorities that local municipalities, for instance, may have.

Part of why we've designed the community infrastructure fund program the way we have—that being, at the request of municipalities, to have a formula-based approach as opposed to just a grant-based, merit approach to infrastructure—is so that municipalities could begin establishing their own priorities and having their local priorities dealt with, because, frankly, they probably know better. With the exception of the local member, they would know better than Queen's Park what's really important in their particular community.

So we're trying to move towards that formula-based approach, so that a municipality will get an allocation and be able to use it for whatever.

You mentioned some projects in your area that are priorities. The challenge there is, we want to make sure that the dollars that we're investing are indeed going to the important projects that are in the public interest. That's not to say we don't fully trust our municipal partners, but some are more ahead than others when it comes to asset management planning. That's kind of what you're talking about there: asset management planning with aging infrastructure, which is so important. We are working very closely with our municipal partners to increase their capacity for asset management planning, which will give us the confidence going forward to do even more formula-based funding, where we can transfer money over to our municipal partners and say, "Go to it. Get those infrastructure projects that are your priorities done."

There may be envelopes that say, "We want to focus on roads, bridges, water, waste water or core infrastructure," and allow municipalities to do their work with some of the other areas that may not be seen as core infrastructure. That's open for discussion in the coming years and is subject to federal-provincial funding requirements as well. We try, as much as possible, to have a federal partner when it comes to infrastructure spending. Those programs, when we match funding, are twice as impactful if we have a federal government that's matching funding with us—and they do, in some of the municipal programs, to give them some credit.

The problem, as I've talked about before, is that, overall, their contribution to infrastructure, across the country and here in Ontario, is woefully inadequate. The numbers speak for themselves. I'll repeat them because they bear repeating. We're spending \$130 billion over the next 10 years, here in the province of Ontario, for roads, bridges, public transit, water, waste water and other important infrastructure—energy infrastructure and others. Federally, when you include even their investment in their own buildings, they're spending around \$70 billion. That's such a small amount, and that's Canada-wide; that's not even just in Ontario. We'll only get a fraction of that. So it's obvious that we need a stronger federal partner to address some of the concerns you very articulately outlined to the committee.

You talked about education infrastructure. That's really important. It's an important priority for our government. This is the government that, frankly, took our education system from a struggling system to one that's now seen as potentially the best in the world. We take a great deal of pride in that, but we can't rest on our laurels. We have aging infrastructure. Many of our schools were built in the 1950s and 1960s and have become very challenging for our boards to maintain, so we need to continue to work with them, and we are. We're providing \$11 billion over 10 years for education infrastructure funding. That includes \$4.2 billion to help address school repairs, which is really important. We all have schools in our area. I have some in my area that I'm told have mildew-type problems, and that's a serious

issue because that impacts the health of young people. So these are important investments.

We've set aside \$750 million over four years for capital funding to support school consolidations. I have one of those going on in my area now, and others probably do as well, where you have schools that are side by side. It doesn't make sense if you've got two aging-infrastructure schools that are real drains on school board budgets. It makes sense to build a brand new, state-of-the-art school, fully equipped with the technology that we can put in classrooms today, and to give that community and those students a brand-spanking-new school, painful as it sometimes is to change schools, because nobody likes to see schools—even if they're consolidating and the school is not really closing, but consolidating into a new building, people are still sometimes tied to the old schools that they went to.

But at the end of the day, the interest has got to be the students. I think that's a passion that this government has had over the last 10 years. Frankly, that, along with the good work done in our classrooms by our teachers, has provided our graduates with some of the best tools they can possibly have in going off into that workforce.

I look at my own kids. One of them—we talked about playing hockey—when he goes down to the US trying to apply for a US hockey scholarship, they boost his Ontario marks by upwards of 7% to 10%, right off the bat. "You graduated from an Ontario school? We're going to give you a 7% to 10% boost." Often it's 10%. You're getting a 78%? That's an 88%. You're getting an 85%? That's a 95%.

Mr. Percy Hatfield: Do they make them taller, too?

Hon. Brad Duguid: That would really help, because he has my height issues. But it just shows that, outside of Ontario, our system is really recognized.

At the same time, while the quality of our teaching has improved, we have to continue to ensure that our teaching environment remains sustainable. That's managing those assets well and making those investments. That \$4.2 billion to address school repairs over the next 10 years, I expect, will be of help, but it doesn't belie the fact that there are ongoing, significant challenges out there.

Ms. Sophie Kiwala: Thank you.

The Chair (Ms. Cindy Forster): Government members? Mr. Balkissoon?

Mr. Bas Balkissoon: Thank you, Madam Chair.

To the minister, we've had some discussions personally, and I just want to compliment you and say that you made the right decision on Rouge Park, protecting all the good work that some of us at the municipal councils did, and some of us at the conservation authority and out of province. As you know, a large portion of my riding is part of that park.

But next to the park is something very interesting that a lot of stakeholders in my area are very concerned about, because they want to know the infrastructure that is going to be built, how it's going to impact on the eastern part of

Toronto, and what would be the outfalls in terms of transportation and all the other things.

In 2006, the government issued a development plan for the Seaton lands. Since then, we've had the Oak Ridges moraine plan, the growth plan, the other plan that goes around the GTA. The Seaton lands—I think a lot of it has shrunk from when it was originally planned way back, but I'm wondering if you could tell me much about where the government is at with those plans and what is your infrastructure vision that's going to come into that area.

That's a real concern to some of my stakeholders, because it abuts a sensitive area in Rouge Park. They are very concerned about the environment there. Some of my residents are very concerned about traffic infiltration from the east. And as you know, Steeles Avenue has been a battle ever since I've been elected 26 years ago, and it will probably continue for another 26.

Hon. Brad Duguid: This is an issue that strikes home with me in two different ways. One is that Councillor Balkissoon—Mr. Balkissoon used to be Councillor Balkissoon; sometimes we still think of ourselves in our old jobs—has been a very committed and passionate defender of the Rouge Valley and the Rouge lands and the importance of maintaining the environmental integrity of those lands.

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Yesterday, in fact, I had an opportunity to sit down with Jim Robb, whom I know the member knows well, Gloria Reszler and other representatives to continue to ensure, as we deal with the federal government on the Rouge Park issue and their efforts to, frankly, put forward legislation that's incredibly weak in protecting that park—surprisingly weak, given their commitment—that we're on the same page with those important stakeholders that have been there in that park from day one and worked with many of us, even before we were elected to office, to work on that very important natural treasure in the east end of Scarborough. It's something that we just cannot afford to take any risks on, in terms of passing over land to a federal government that is planning to put forward a park without attention being paid to what they call environmental integrity. That has to be part of that legislation. We have to have those assurances.

I commend the groups that are fighting with us on this for their good work. They're doing a lot of work on this. They want to see a national park there. They know that there are opportunities to get some revenue from the federal government, through that park, to continue to invest in some of the good work going on to protect those important lands. But they, like us, are not willing to place at risk the environmental integrity and the future of that park—to a weak piece of legislation that just does not deliver the protections that need to be there. The protections that currently exist today, which this province and this government is very proud—and previous governments have been very proud to have upheld and protected, from the Peterson days.

That gets me back to the Seaton lands. I was an assistant here, between 1987 and 1990, in the Peterson government. I recall that in those days, the Seaton lands were being discussed. When I had my first go-round in the Ministry of Infrastructure, I've got to tell you, I was a little bit surprised that the Seaton lands issue was still being discussed. I thought back then that it wasn't far away from being realized.

This is a significant undertaking. It will be a very well-planned community from all corners. Efforts are being made to ensure that it is sustainable development. It's not a surprise to anybody. It has been planned since the 1980s, and it has gone through a significant amount of two steps forward, one step back. There have been significant consultations with municipalities and environmental stakeholders and others.

Just to give you an idea, they're now looking at completing two land exchanges that delivered on the promise to protect more than 2,300 acres of environmentally significant lands. I don't have all the details on that with me today, but there is a significant amount of lands that will be protected as part of that central Pickering development area.

Funding of studies to support Seaton's development is something that we've been involved in, and that includes a Highway 407 corridor for economic development. I think most would argue that where Highway 407 goes through is probably a prime job-generating area that is good for growth. Of course, it has to be done in an environmentally sensitive way, as everything we do, all of our growth is to be done.

We're committing about \$135 million for the implementation of regional services, including water, waste water and certain roads that will be in that community. I know that the planning is under way for that. In fact, it's a good way under way. I'm expecting that the government will be moving forward very soon, finally, with the realization of the beginnings of the Seaton community.

This will be an exciting new community that has been under way since the 1980s. It's exciting, certainly, for the Pickering region, the city of Pickering and the region. I fully expect and I think we want to ensure that all stakeholders are involved, that significant attention is paid to ensuring that, as this community is being built—it's on the books; it's going to be built—that all efforts are made to ensure it's very sustainable and that there are little, if any, impacts at all on surrounding environmentally sensitive lands.

The Chair (Ms. Cindy Forster): Mr. Balkissoon, you have one minute left to wrap up.

Mr. Bas Balkissoon: Okay. Minister, quickly, maybe you could comment on the new announcement by the federal government on the Pickering airport and how it would affect this area, because most stakeholders believe that once those Pickering lands were sold off partially and some of it was given to national parks, that the airport was not going to be there. But the previous Minister of Finance announced that the airport is going to be back on the books and it had a date for implementation.

Hon. Brad Duguid: It's very difficult to follow the federal government's logic on this. They really have not been clear what kind of an airport it would be. There's talk about it replacing Buttonville, that it wouldn't be a huge airport or—I don't know what they call it—commercial airport or whatever the term is. It doesn't appear that it has been well thought out at this point. One of the things that I continue to raise with the federal government, and I think our environmental stakeholders have as well, is the amount of land that they're setting aside for this airport is much greater than they're going to need—significantly greater. That lends an opportunity for more land from the federal side to be dedicated to potentially Rouge Park-type uses, if they do intend to move forward with Rouge Park.

I think there are opportunities there from the federal side. Two thirds of the land in the Rouge Park area has been provincially owned land. We've stepped up. Federal government has opportunities to do so, and for some reason, they seem to continue to hesitate.

The Chair (Ms. Cindy Forster): Thank you, Minister.

We have about 12 minutes left—four minutes per party. We're going to hold you to the four minutes, because then we only have maybe five minutes at the end to get to the votes.

I'll turn it over to Mr. Walker.

Mr. Bill Walker: Minister, I'm going to continue a little bit on the special facilities for Public Health Ontario. Where I guess I'm trying to go here is that I realize they'll need some special accommodation—you referenced safety, and certainly that is exactly what we'd want—but again, I have concerns. What's the cost to make it that safe and to have that type of facility in downtown Toronto? My understanding is they're leaving a facility currently in Etobicoke, so part of it would be, why would we go there. When you're building these, again, what's the cost? Are there limits on what the cost will be to do that? And then if—because you keep using terminology that it's a good investment; we've got as much into it as what we paid for it—we were to resell it, can you resell that building if you put infectious control after spending all that money? And what other tenant other than someone like Public Health Ontario is going to want that specialized type of facility?

I'm a little concerned with how much money you might spend to get it to that safe state. Obviously, I want safety for our people. If you're going to bring it into Toronto, I want state-of-the-art safety, but I'm a little concerned. You're using the analogy that this a good investment, a wise investment in that building, and it's going to increase in value. Well, if you bring an infectious disease centre in, is that value truly going to be there down the road if you had to liquidate and utilize those assets, which I don't think you're going to do? So I'm getting a little concerned or maybe confused in regard to using it as an asset, in some cases, with no intent to sell it. If you do think you're going to sell it,

why are you putting this type of money in and how much is it going to cost us?

The Chair (Ms. Cindy Forster): Two minutes, Minister.

Hon. Brad Duguid: Well, I think it's really important to note that the MaRS phase 2 building was designed to support research and innovation—that's what it was designed for—and accommodate highly specialized laboratory facilities exactly like the Public Health Ontario laboratory. The new laboratory at MaRS is specifically designed to ensure laboratory staff, visitors and other occupants, the public and the environment are safe. I really caution putting out information that would be contrary to that because it's not factually correct. The building would be safe. This is a tenant that would be like many other tenants that would be going in that building; it's designed exactly for that use.

That Public Health Ontario facility has been there since 1964 and—I've said this—I was two years old when it was built. The SARS commission has said that one of the principles of their 21 lessons on SARS, and the recommendations, was the creation of an Ontario centre for disease control, which would support the Chief Medical Officer of Health. That's exactly what this is actioning. It's part of a SARS commission report that goes back many years, and we want to make sure that we follow those recommendations, which is why Public Health Ontario is moving facilities, renewing their facilities and modernizing their office operations in a safe and secure way. So I can assure you, it is safe. Public Health Ontario will provide you with whatever information you need, technical information, whatever, to give you that assurance.

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But I caution you about speaking publicly to the contrary, because it's not factually correct. That misinformation could be harmful, potentially, to the value of the building, or it could be potentially harmful to attracting other tenants if it's incorrect information.

The Chair (Ms. Cindy Forster): Thank you. We'll move on to Mr. Hatfield. Four minutes.

Mr. Percy Hatfield: Thank you, Madam Chair.

Back a little bit, Minister, we talked about legislative changes that were made in 2010 that ensured that MaRS did not fail and a loan from IO was then possible for charities and not-for-profits. I'm still waiting for the date of that, because I'm not sure if the minister at the time was Minister Chiarelli or Minister Wynne, who was infrastructure minister in 2010 or around that time, if I'm not mistaken. Or was she transport minister? I want to find out who initiated the changes to change the regulations which allowed MaRS to qualify for the loan from Infrastructure Ontario that, prior to that, was only available to municipalities.

Hon. Brad Duguid: Sorry, the deputy was whispering in my ear there. Could you just repeat the last part of your question?

Mr. Percy Hatfield: Sure.

Hon. Brad Duguid: My apologies.

Mr. Percy Hatfield: I'm trying to find out who initiated the change to the regulations that was quietly passed that allows MaRS to qualify for a loan that previously was only available to municipalities.

Hon. Brad Duguid: The regulation, and the deputy has confirmed this, would have been brought forward by the Ministry of Infrastructure. Going back, I'm trying to think—I may well have been in the post at that point in time, but I'd have to go back and check the records. I served as infrastructure minister for about six months, I think.

Mr. Percy Hatfield: I would like to know what date, who initiated it and why it was done.

Hon. Brad Duguid: Yes. But in terms of the reasons for the regulatory change, again, I'd have to go back and determine—some of the work that would have been done in terms of encouraging our investment in research and innovation would have likely been through the lead of the Minister of Research and Innovation at the time.

Mr. Percy Hatfield: But it was brought forward by the infrastructure minister.

Hon. Brad Duguid: But the infrastructure minister would have been responsible for bringing the regulation forward. I can certainly confirm—it may well have been myself at that point. I'd have to go back and check the schedule. I don't recall—

Mr. Percy Hatfield: I guess the email chain or the paper trail would lead us to somebody somewhere who said, "Okay, we've got to do something to save MaRS. How do we do it? Well, you've got to make the change in the regulation."

Hon. Brad Duguid: Yes.

Mr. Percy Hatfield: "Who's going to launch the change? How are we going to get it through? We can't do it just for MaRS; we're going to have to let other non-profits qualify as well." I'm thinking that's the way it works.

The Chair (Ms. Cindy Forster): One minute, Minister.

Hon. Brad Duguid: Yes. I mean, the program has been a very significant success. It's helped stimulate a lot of growth in infrastructure and it's attracted—

Mr. Percy Hatfield: I know: \$950 million; 78 not-for-profits. I'm just trying to get to how we got to the MaRS equation.

Hon. Brad Duguid: Yes. The reason why the government would have been open to expanding the program is that it's been successful in building infrastructure. So the thought process behind that would be, "Well, if it's been successful in the projects we've done, let's expand the eligibility for the program so that others could qualify for it." We've had 77, 78—

Mr. Percy Hatfield: Seventy-eight.

Hon. Brad Duguid: —non-profit groups that have taken advantage of that.

Mr. Percy Hatfield: But MaRS was the first. Right?

The Chair (Ms. Cindy Forster): Actually, thank you, Minister. Your time is up. Mr. Hatfield.

Hon. Brad Duguid: I can't confirm that they were the first.

The Chair (Ms. Cindy Forster): Government members, four minutes: Mr. Dong?

Mr. Han Dong: Madam Chair, we would like to offer our time allotment to the minister for his statement.

The Chair (Ms. Cindy Forster): That's not actually permitted under this committee.

Hon. Brad Duguid: Ask me something.

The Chair (Ms. Cindy Forster): We have to split the time between the three, if you don't have a question.

Mr. Han Dong: Sure. Minister, yesterday you talked about creating a regional transit hub, and I appreciate the information. For my riding, the downtown dwellers, transit and gridlock is a big concern. Can you speak specifically to the government's plan in transit infrastructure for the city of Toronto?

Hon. Brad Duguid: I'm pleased to do that, because it was an important part of our campaign. It's an important part of the municipal campaign that's going on right now in Ontario and certainly in the Toronto and greater Toronto area. It's something that is uppermost in people's thoughts. We've made a significant investment to date in public transit and we see the results of that.

I think people forget, but in 2003 we inherited an environment in here where a government had just said, "Public transit doesn't matter. We're not going to invest in it anymore. We're pulling our investments from public transit." You know, they buried a TTC station that had been built. So they had really pulled the rug out from under capital investment in transit, and we paid a huge price for that.

In fairness, you could go back a number of years even before that where the investment wasn't what it needed to be since our initial public transit build in this part of the world and this part of Ontario. So we've tried to make up for that. We've invested in a number of projects that are under way, including the Spadina-Vaughan line that is under way now and will be a very significant contributor to helping to move people around.

People often ask, "Why that line? Why was that line the first priority?" People in my community ask that because—I mean, Mr. Balkissoon and I have been strong supporters of a Sheppard subway line eventually one day going out and linking up. That's something that is still open for discussion these days. But extending the RT from Kennedy up to the Scarborough City Centre—because our priority has always been to have that rapid form of subway-type transportation to our city centre to open up opportunities for economic development in one of the fastest-growing areas' city centres in Canada.

Without having that—you know, there has been some good growth there but there's no question it could have been better if we would have had that first-class transit to the Scarborough City Centre. We've been fighting for that for 30 years.

The Chair (Ms. Cindy Forster): Minister, could you wrap it up?

Hon. Brad Duguid: Oh, I was thinking I had my 20 minutes again.

So we will be investing \$29 billion over the next 10 years in the GTA in terms of public transit—I should say \$29 billion in public transit, roads and bridges, and \$15 billion of that will be in the GTA for a number of projects that we've outlined. It's an exciting time, again, for transit infrastructure in Ontario. We're determined to get this done.

The Chair (Ms. Cindy Forster): Thank you, Minister.

Mr. Ted Arnott: On a very brief point of order, Chair, the minister graciously challenged me—as well as, I think, Mr. Hatfield—to participate in the ALS challenge, the ice bucket challenge, late last summer. I'm pleased to report to the minister that this is a picture of me, if I can get it, and my staff dumping a bucket of ice water on my head. That took place on September 5. I want to thank him for issuing that challenge.

In return, I want to challenge him—

The Chair (Ms. Cindy Forster): That actually is not a point of order.

Mr. Ted Arnott: —to attend the largest ALS walk in Canada, which takes place in Georgetown each year. It's on June 6, 2015, and we'd be delighted if he could join us at that walk.

The Chair (Ms. Cindy Forster): Thank you.

Hon. Brad Duguid: I would love to walk with you in that if I can, for sure.

I didn't see your face in that. Are you sure you didn't—did you have Walker subbing in for you?

Interjections.

Mr. Ted Arnott: Well, this is an official committee exhibit now, which I'll table with the Clerk.

The Chair (Ms. Cindy Forster): Okay, we have to take the vote.

Hon. Brad Duguid: You're going to have to do it again so we can verify it was you. Mr. Arnott, thank you for doing that.

Interjections.

The Chair (Ms. Cindy Forster): There is no such thing as personal privilege.

Anyway, I want to thank the minister and the ministry staff for being here on the hot seat for the last 10 hours. This concludes the committee's consideration of the estimates of the Ministry of Infrastructure.

Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates. Are the members ready to vote? Yes?

Shall vote 4001 carry?

Mr. Ted Arnott: Recorded vote.

Ayes

Balkissoon, Ballard, Dong, Hoggarth, Kiwala.

Nays

Arnott, Hatfield, Walker.

The Chair (Ms. Cindy Forster): The motion is carried.

Shall vote 4003 carry?

Mr. Ted Arnott: Recorded vote.

Ayes

Balkissoon, Ballard, Dong, Hoggarth, Kiwala.

Nays

Arnott, Hatfield, Walker.

The Chair (Ms. Cindy Forster): The motion is carried.

Shall vote 4004 carry?

Mr. Ted Arnott: Recorded vote.

Ayes

Balkissoon, Ballard, Dong, Hoggarth, Kiwala.

Nays

Arnott, Hatfield, Walker.

The Chair (Ms. Cindy Forster): The motion is carried.

Shall the 2014-15 estimates of the Ministry of Infrastructure carry?

Mr. Ted Arnott: Recorded vote.

Ayes

Balkissoon, Ballard, Dong, Hoggarth, Kiwala.

Nays

Arnott, Hatfield, Walker.

The Chair (Ms. Cindy Forster): The motion carries. Shall I report the 2014-15 estimates of the Ministry of Infrastructure to the House?

Carried.

Thank you. We're adjourned. See you next Tuesday.

The committee adjourned at 1113.

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Tuesday 21 October 2014

Journal des débats (Hansard)

Mardi 21 octobre 2014

Standing Committee on Estimates

Ministry of Transportation

Comité permanent des budgets des dépenses

Ministère des Transports

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Tuesday 21 October 2014

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Mardi 21 octobre 2014

The committee met at 0900 in room 151.

MINISTRY OF TRANSPORTATION

The Chair (Ms. Cindy Forster): Good morning, members. Good morning, Minister. The committee is about to begin consideration of the estimates of the Ministry of Transportation for a total of 10 hours. As we have some new members, a new ministry and a new minister before the committee, I'd like to take this opportunity to remind everyone that the purpose of the estimates committee is for members of the Legislature to determine if the government is spending money appropriately, wisely and effectively in the delivery of services intended.

I would also like to remind everyone that the estimates process has always worked well with a give-and-take approach. On the one hand, members of the committee take care to keep their questions relevant to the estimates of the ministry, and the ministry, for its part, demonstrates openness in providing information requested by the committee.

As Chair, I tend to allow members to ask a wide range of questions pertaining to the estimates before the committee to ensure they are confident the ministry will spend those dollars appropriately.

In the past, members have asked questions about the delivery of similar programs in previous fiscal years, about the policy framework that supports a ministry approach to a problem or to service delivery, or about the competence of a ministry to spend the money wisely and efficiently. However, it must be noted that the onus is on the member asking the question to make the questioning relevant to the estimates under consideration.

The ministry is required to monitor the proceedings for any questions or issues that the ministry undertakes to address. I trust that the deputy minister, who is here today, has made arrangements to have the hearings closely monitored with respect to questions raised so the ministry can respond accordingly. If you wish, you may at the end of your appearance verify the questions and issues being tracked by the research officer who is here today.

Are there any questions for members before we start? No.

I am now required to call vote 2701, which sets the review process in motion. We will begin with a statement of not more than 30 minutes by the minister, followed by statements of up to 30 minutes by the official opposition

and then 30 minutes by the third party. The minister will then have 30 minutes for reply and the remaining time will be apportioned equally amongst the three parties.

Minister, the floor is yours.

Hon. Steven Del Duca: Thank you very much, Chair. Good morning, members of this committee. It's a pleasure for me to be here with all of you this morning. I appreciate the opportunity, having been called, having been asked to be here. I certainly look forward to the discussion that we're going to have over the next 10 hours, as the Chair mentioned.

I would, right at the outset, ask for your indulgence, because I'm fighting a tiny bit of a cold, so if my voice happens to be lost at any point, that's the reason.

I'm really happy, as a relatively new Minister of Transportation—as the Chair mentioned in her remarks—having served now for roughly four months, to be given this opportunity and to be joined here at this committee by all of you. I'm also very delighted to be sitting alongside the Deputy Minister of Transportation. Here, as you will all know, I'm sure, in this room, there are a number of officials who have joined us from the Ministry of Transportation. We will, as a team here on behalf of the Ministry of Transportation, do our very best to respond to the discussion, to respond to the questions that are asked by members of this committee, and I think it's entirely fitting and appropriate that the Chair, in her opening, talked about the back-and-forth dialogue and the discussion that will take place here. It's certainly in that spirit that I appear here. It's my very first time appearing before a committee as a minister and I do look forward to the discussion.

I was giving some consideration to my opening statement as I commuted down from my own home in my riding of Vaughan, which sits, as many of you know, just on the edge of Toronto—not unlike some members of this committee representing a GTA riding. It's a community that I've lived in now for the last 25 or 26 years. I thought back to a time about a decade ago, long before I became an MPP, when I actually had the privilege of working in this building for my predecessor, Greg Sorbara. I worked for Greg for a couple of years. Thinking about the challenge that lies ahead of us, not just as a government but as a Legislature and as a province, I considered that a decade ago when I would leave my house in the morning, my commute to Queen's Park would run somewhere in the neighbourhood of 50 to 55 minutes.

I now live with my wife in a part of Woodbridge that's a little bit closer, physically, to Queen's Park, than where I lived with my parents a decade ago. My commute this morning, my commute most days, is somewhere in the neighbourhood of an hour and 10 minutes or an hour and 15 minutes, each way. When you start to add those numbers up—and I know I'm talking about my community and my particular riding, but whether you're representing or live in a GTA community, whether you're from Kitchener-Waterloo, whether you're from parts of eastern Ontario, the north, whatever it is, I know that we face significant challenges with respect to our transit and transportation infrastructure. There hasn't been a place to which I've gone as Minister of Transportation over the last four months, there hasn't been a community that I've visited, where the appetite, the demand, the interest, the excitement about our government's ambitious 10-year plan for transit and transportation infrastructure investments hasn't been considerable.

Thinking about those last 10 years, as I referenced a second ago, we have made extraordinary investments as a government since 2003 in transportation and in public transit infrastructure, but a combination of explosive population growth across this region and in other centres around Ontario, I think, combined with a variety of other unique factors, has put us in a position now where we really do need to get on with the job at hand. We really do need to act.

It's a message that I've conveyed wherever I've gone since June 24, since being sworn in as the Minister of Transportation, that we really do have a responsibility. Understanding completely how important it is to do the analysis, to make sure that we have the discussions, to make sure that in communities there is some very healthy debate and dialogue but at the same time recognizing that we all have a responsibility, regardless of which party we represent, regardless of which community we happen to represent, we all have a responsibility to work together, roll up our sleeves and deal with the implementation.

When I look at my mandate letter and in the conversations that we've had, again, since becoming the minister, the one thing that is the most crucial to me, as someone who, like all of you, grapples with these challenges on a regular basis, is that we really do have to move towards the implementation of the ambitious plan that we talked about, that we referenced, that was the cornerstone, in fact, of the last provincial budget.

I take that responsibility very seriously. I don't mind saying to all of you that I don't pretend to be an individual who believes that he knows everything about everything. Being the Minister of Transportation is certainly an ongoing, fun learning experience and I learn something new every single day, every single week.

I'm blessed. I think we're all blessed because of the extraordinary talent of the women and men who work in the Ministry of Transportation and across all ministries. We truly do have an extraordinary Ontario public service on which we all rely.

But I'm also the father of two young children. My older daughter will be turning seven in a couple of weeks and our younger daughter is just about three. I think about where they're going to be when they're my age, where I want them to be, where I think we all want them to be. I know other members of this committee and certainly other members of the Legislature also have young children. When I think about the investments and the way forward for our government around transit and transportation and around, certainly as well, road user safety, I know that I want my daughters to be in a position, in a decade or two or three, where they have a wide variety of options in front of them. If they decide to study or live or work in a different part of the greater Toronto and Hamilton area or in a different part of the province of Ontario—and I certainly hope they will, because I think our province offers the best opportunities when it comes to learning, when it comes to living, when it comes to working—I want them to be in a position where they'll have a variety of options—accessible, affordable, reliable options—when it comes to moving themselves. I want them to be able to work in an economy where goods can flow, where economic development and job creation can be unlocked, where that potential certainly exists.

0910

And so when I look at our plan—again, the plan that was contained in budget 2014—I realize that we're making a commitment and we have a mandate to make sure that we are moving the province forward. As the Premier says often, we're building the province up.

It is an ambitious plan, it's a thoughtful plan, and it is a plan that certainly will help make sure that we have that next generation of transit and transportation infrastructure in place so that our quality of life can be strong, so that my daughters' quality of life can be strong, so that our economy can be vibrant and prosperous, so that we can lure that foreign direct investment, so that we can create those jobs to give them and children like them, as they grow up in Ontario, the best of all the opportunities they deserve to have.

There's something else that's important for me to talk a little bit about this morning, because the plan is ambitious—and I will get into some of the details in a second, and I'm quite confident that over the course of our discussion here at estimates committee we will have lots of back-and-forth about elements of the plan, and I look forward to that.

But I think it's important for me to explain, as best I can not only here at committee but elsewhere—when I'm talking about our plan, I think it's important for me to recognize and to acknowledge and to explain to people that while the plan is ambitious, while the numbers are large, while the need and the demand and the excitement is considerable, that the work is going to be—I use the word “challenging,” but I use that in a positive way.

When you are working as hard as you can, as a government, as a society—at all levels of government, by the way; municipal partners and federal partners at the table,

hopefully. When you're working hard to build infrastructure—I use the phrase “after the fact” from time to time—of course there are significant disruptions that will take place.

When I've had the opportunity to be in different parts of this wonderful province, I've had conversations with mayors and people in the communities. I hear it from time to time: People are excited about what's being built, they're certainly thrilled about the prospects of what will be built. But there's a recognition that there will be—and I say this in the interests of trying to manage expectations as well—disruptions at a community level. People will see the evidence of the extraordinary work that's taking place. As they see increased service, as they have more options ahead of them, they'll get a better sense of the progress that's being made; it will make their lives easier.

But there will be a period of time—as you know, our plan calls for \$29 billion worth of investments over 10 years. When you're talking about that amount of investment, when you're talking about that amount of physical work that needs to take place in many if not all of our communities, there will certainly be times in which residents that we all represent will feel some degree of inconvenience. I think that's a natural by-product of the extraordinary work that's going to take place.

I say that because I believe it's important to convey that message, not only as Minister of Transportation, but back through all of you and all the other members of this Legislature, to our communities. We can't successfully build Ontario up without making these investments, and there will be times along the way in which people in all of our communities feel a certain degree of disruption because of the investments we're making.

I guess for an individual who has used the term “ambitious” many times in my opening statement so far, I think it's also important for me to make sure that there's a balance in terms of managing expectations.

As we go forward with the plan, as we talk about how this plan will be implemented in terms of the phasing and staging—because there are tons of both literal and figurative moving parts in this plan. I, alongside many of you from all three parties, had the opportunity to be at the Association of Municipalities of Ontario conference over the course of the summer. And one of the funny stories I tell—and I tell it in the most respectful way possible—is that throughout the meetings with the various delegations that came to see me, representing small communities from eastern and northern Ontario, southwestern Ontario, large urban centres, collections of mayors, regional chairs from all over the province—fantastic discussions back and forth in those 15-minute windows that we had before there was a knock on the door telling us that it's time for the next group to come through. In those conversations, what I found remarkable, in a good way, was that excitement people have about the investments we want to make and that desire they have to lure investments, not only from the provincial government, but, of course, from the federal government, in terms of building up that crucial public infrastructure.

My little joke to most municipal folks, as the AMO conference proceeded over the course of a few days, was that there was no doubt in my mind that every single municipal representative I met with had a very clear sense of our \$29-billion plan, but there was certainly less acknowledgement of the fact that it's a 10-year horizon. I don't say that disrespectfully. I have an enormous amount of respect for people who work with local government, of course—the 444 municipalities across the province of Ontario.

This coming Monday, we will have new councils elected across all of these municipalities. I think it's our responsibility, as a provincial government, and my responsibility, certainly, as the Minister of Transportation, to work as closely as I can with all of our municipal partners because they are the women and men who are dealing with concerns from their local communities at that closest level, that most granular level.

I mentioned my experience at the AMO conference simply to illustrate that there is a ton of excitement about the plans that we have on a go-forward basis. I also mention it because when you are dealing with a little bit of catch-up—because the investments that are required are required in a significant way, and because you're talking about, frankly, a large breadth and scope of investment that's required—there will inevitably be communities that will see significant changes in the first few years versus those who will see changes perhaps in outer years. That's all part of the discussion and dialogue that will be taking place, and I wanted to make sure that we clearly understood how those things might unfold.

As I mentioned a second ago, in the spring of 2014 Premier Kathleen Wynne announced a plan called Moving Ontario Forward. This is a plan that will, when fully implemented, help build an integrated transportation network across the province. The strategy, as I mentioned earlier, will invest \$29 billion in transit and transportation and other critical infrastructure projects through two new dedicated funds. The funds will provide up to \$15 billion toward priority transit projects in the greater Toronto and Hamilton area and nearly \$14 billion toward projects elsewhere in our province. It will be funded through new revenue measures, repurposed revenues and a responsible level of debt financing where necessary. Just as important, it will leverage collaboration among communities, government ministries and agencies as well as input from citizens.

As a priority in the greater Toronto and Hamilton area, we will work to transform existing GO commuter rail into what we call regional express rail, an RER network, over those next 10 years. RER will provide fast and frequent electrified GO rail service in both directions during both peak and off-peak time periods.

As an individual who proudly represents the community of Vaughan—as many of you, similarly, as I look around this committee room, have GO service—the Barrie line, as it's known, runs right through my community. Over the last two years since first being elected to represent Vaughan here at the Legislature, I've had the

opportunity, on a number of occasions, to be at the two GO stations—one sits directly in my riding, and one sits on the edge of my riding. I've had the chance to spend the morning commutes with literally thousands of people from my community who use that service every single day, standing there and taking the opportunity to talk to them about some of the increases in service and some of the infrastructure improvements that we've made—the hundreds and hundreds of additional parking spaces, for example, that we brought to those two stations since 2003.

But more importantly than me as an MPP and now Minister of Transportation being there to convey a message to them, I found it extraordinarily useful for me to be there to hear back from them. This is why it's very exciting for them to have heard about our plans over the next 10 years with respect to regional express rail. If there's one thing that I've heard time and time again from those residents who use the GO service in my community—and I don't believe it's unique; I do certainly hear this from other members of the Legislature—it's that the respect for the service is tremendous. People have seen those increases in service. People are aware not only about the long-term plan to fully implement two-way, all-day service at up to 15-minute intervals throughout the existing network; people are also excited to learn that in an incremental way over the next number of years, they will see increases in service.

0920

Of course, the commitment that the Premier has made and that I have repeated about additional trains that will be running to Kitchener, for example, in 2016, just as one example—to know that in my own community over the last couple of years we have seen additional cars added to the trains themselves, platforms being extended. I mentioned a second ago additional parking spaces being brought to bear. The experience of commuters and residents in my riding is, I think, not unlike and is very much held in common with commuters. When you look at the numbers for GO itself and you track back over the last couple of years, you see that the usage rates are actually growing significantly, and I think that's a positive sign, but it does help to underscore why it is so crucial that we continue to move forward with investments, that we continue to transform the services I referenced a second ago, because it's a service that will provide real travel choices for residents and will significantly increase transit ridership, cut journey times and help manage congestion across the greater Toronto and Hamilton area.

In addition to RER, dedicated funding will be used to build priority rapid transit projects connecting to GO Transit and other transit systems across this region. These projects will largely be drawn from the next wave of projects in the Big Move, along with other potential projects that support economic development and improve mobility. Projects will be selected based on rigorous business-case analyses in an evidence-based prioritization framework.

Moving Ontario Forward will also make historic investments in important infrastructure projects outside

of the greater Toronto and Hamilton area. Projects that enhance economic growth and address critical local, regional and provincial needs will be identified, again, through an evidence-based process, which will include input from Ontario regions and communities. Initiatives that could be eligible for funding outside of the greater Toronto and Hamilton area include infrastructure development in the Ring of Fire, funding for bus and rail infrastructure delivered by the Ontario Northland Transportation Commission, and, of course, strategic highway improvements.

We will also begin advancing an environmental assessment for high-speed rail in southern Ontario, particularly to link Toronto Pearson airport and Toronto with Waterloo region, London and Windsor.

Our plan, Moving Ontario Forward, will build on progress made to date. I think it's very much worth noting that since 2003, our government has invested more than \$19.3 billion in public transit in Ontario. This includes \$9.1 billion specifically in GO Transit. Our investments are paying off. In 2012, there was an increase of more than 193 million passenger trips on municipal transit systems compared to 2003. To put that in perspective, because of those investments, because of those increases, we have removed approximately 161 million car trips from our roads.

We are encouraging people to use transit by making it a better option. Commuters choosing GO, for example, as I mentioned earlier, from those that I've spoken to in my own community, are experiencing a positive difference. There are service guarantees. Two-way, all-day service along the Lakeshore line is making life a little bit easier. There is improved service on bus routes as well, with Metrolinx recently rolling out its 500th GO bus.

We're also helping more people move around on the TTC. Since 2003, our government has committed nearly \$4.3 billion to help improve and expand transit in Toronto. One of the more highly visible results are the new streetcars, and I had the very sincere privilege of being there on that Sunday morning not that many weeks ago for the official launch of the new streetcars. I have to tell you that the excitement at the station as the new streetcar was rolling in was palpable. It wasn't just elected officials; it wasn't just representatives from the TTC and Metrolinx. There were literally hundreds of commuters, people who have a great deal of affection for the service that they've come to rely on in the city of Toronto, people who have a great deal of hope for what our future investments will bring to them and to their families and neighbours. To be there that day and feel that palpable excitement was something that I know I will never forget.

Already, those new streetcars are going into service on the 510 Spadina line route. They can comfortably accommodate twice as many passengers as the standard streetcar. The low-floor vehicle is larger. On that particular day of the launch it was fairly muggy outside, and I know that everyone appreciated the fact that they are air-conditioned—and that they're fully accessible.

They are the first new generation of streetcars in Toronto in 30 years, and as I said a second ago, it was

extremely encouraging not only to feel the excitement on the platform that day, but to also know that people were taking to social media to tweet their excitement, to tweet their enthusiasm, when they saw the streetcars that day and when they've seen them since. It confirms to me how much people care about transit and want to use, as we call it, "The Better Way."

In total, Ontario is investing up to \$416 million in this new generation of streetcars. By 2019, 204 new streetcars will replace all streetcars in the TTC's current fleet.

Of course, the Eglinton Crosstown LRT is another highly anticipated project. It is the province's largest public transit construction project in more than half a century. It will help manage congestion in the city and create thousands of jobs. Tunnelling is well under way from the west launch site, and workers are building the future tunnel-boring east launch site. Head walls, which will form the future underground station boxes, are complete at Keele and Caledonia. Work has begun on the future Dufferin and Oakwood Stations.

Also, a little bit closer to home for me in York region, the Viva bus rapid transit project is making steady, incremental, yet noticeable progress. It's building dedicated lanes in the centre of the road, known as rapidways. The first of the projects broke ground in winter 2009 and they are all scheduled to be completed by 2019.

The Union Pearson Express is on track to be operational for the Toronto 2015 Pan and Parapan Games. The exciting revitalization of Union Station is also making steady progress.

These improvements are all encouraging, but they are only the beginning. The future of transit in the greater Toronto and Hamilton area, the Big Move, is being led by Metrolinx. It will make a big and positive difference in the lives of people.

There are over \$16 billion worth of transit expansion and improvement projects already under way across the greater Toronto and Hamilton area, and all of this supports our goal of managing congestion to keep people and goods moving throughout the region. As part of this effort, we're continuing to work towards fare integration and expanding Presto. More than 1.2 million cards have been activated across the greater Toronto and Hamilton area and Ottawa. There have been more than 240 million taps.

Looking ahead, Presto fare card readers will be operating on all streetcar lines once the new fleet is in full service. This will allow commuters to travel seamlessly—

Interjection.

Hon. Steven Del Duca: —and I see the member from Mississauga is demonstrating to the committee that he is also a Presto card user. I'm not going to ask him how many of those 240 million taps are his, but I'm sure it's a significant number.

Another project that will make commuters' lives easier is the recently announced GO bus terminal for downtown Toronto. It's very exciting because it will bring bus and train services to one central location, meaning that com-

muters will have a better, more integrated travel experience. They will have intercity bus carriers, GO Transit, Via Rail, the TTC and the Union Pearson Express in one location, essentially making it a one-stop shop for commuters.

A commercial space above the terminal aligns perfectly with our government's plan to create transit hubs integrated with sustainable employment developments. Construction of this new GO bus terminal at 45 Bay Street is expected to start in the spring of 2015, and will take three years to complete.

We need to continue engaging in this kind of visionary thinking that meets practical needs. We will keep making investments in transportation infrastructure so it keeps pace with the dreams and expectations Ontarians have for our shared future.

This is true, of course, across the rest of the province as well. For example, construction is now under way for 36 kilometres of rapid transit that will link Kitchener, Waterloo and Cambridge. The project will connect commuters to two-way, all-day GO train service between the region of Waterloo and the greater Toronto and Hamilton area.

In addition, our government has committed up to \$600 million towards building rapid transit in Ottawa. This is the largest single provincial investment ever made to that city's public transit system. Ottawa expects the project to create approximately—

The Chair (Ms. Cindy Forster): You have about three minutes.

Hon. Steven Del Duca: —20,000 jobs. In total, since 2003, we have committed approximately 20,000 jobs.

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The Chair (Ms. Cindy Forster): You have about three minutes.

Hon. Steven Del Duca: In total, since 2003, we have committed approximately \$1.09 billion to public transit in Ottawa.

I recognize, of course, as the Chair mentioned a second ago, I have roughly three minutes—and probably a little bit less than that now.

This list does go on. As I said at the outset of my remarks this morning, the plan is ambitious; it's bold. It is something that will help us achieve the goals and objectives that the people of Ontario have with respect to making sure that our province's infrastructure, both transportation and transit infrastructure, is built up in the most sensible way possible.

I said this earlier, and it does bear repeating: It doesn't matter where I go in the province of Ontario, whether I'm in Kingston or I'm in downtown Toronto, certainly out in eastern Ontario, Kitchener-Waterloo, the north, wherever the case is; people are excited about the plan. But people want us to roll up our sleeves and get on with it. They want us to get shovels in the ground. They want to see meaningful and positive results delivered.

They want us, as a government, to continue on the track that we've been on for the last number of years, making sure that they have those options available to

them, making sure that our economy will continue to grow, making sure that people will have that prosperous future, making sure that their quality of life—that opportunity to spend more time with their families, with their neighbours, doing the things that matter to them most—will be present for them.

I look forward to the discussion that we're going to have today. I mentioned, as well, at the outset that I am sitting alongside the Deputy Minister of Transportation and the extraordinary team that's here with us today. All of us will do our very best to answer any questions. I look forward to the back-and-forth and dialogue.

Again, I'll repeat that I am a relatively new Minister of Transportation. I don't pretend to know everything, but we will certainly do our best to respond in the most professional way possible to any questions that any member of this committee might have. So with that, Chair, I'll conclude.

The Chair (Ms. Cindy Forster): The official opposition for 30 minutes: Mr. Harris.

Mr. Michael Harris: Good morning, Minister, Deputy, staff. Welcome to committee.

Minister, you have had the summer, obviously, to settle into your job and had the time to become fully briefed on the expenditures of your ministry and the fact it undertakes those expenditures on behalf of the Ontario taxpayers. I know that you've been busy in your first four months, and I hope you have had the time to get up to speed while you have criss-crossed the province making funding and project announcements. In fact, over the past couple of months, you have announced close to half a billion dollars to fund a series of transit and transportation projects. That's not to mention the Green Bonds revenue tool you've announced for the Eglinton Cross-town nor the twin tower terminal down at Union. I'm hoping that in between those announcements, you have had the time to be briefed on your ministry's planned expenditures—to provide fulsome answers for the questions we are going to be proposing over the next 10 hours.

It's with that in mind that we look for your co-operation, Minister, to help us sort through the ministry's estimates, in order that we can ensure openness and accountability when it comes to spending the Ontario taxpayers' dollars on provincial transportation needs. As well, we look to you, Minister, to keep those priorities in mind as we pursue the simple truths behind the numbers and, as your mandate letter states, help us "move forward ... to grow the economy and create jobs ... through the lens of fiscal prudence." I look forward to working with you and your staff to ensure that your ministry lives up to that mandate.

I will also say to you, the experience of some of the ministers throughout the estimates is that they can become long in the tooth in some of the answers, and I will give you a little bit of leeway. However, if there are times where I feel you are perhaps ragging the puck, we will interject and move on, so I thought I'd make that clear now. With that, I will begin, Minister.

With regard to the estimates, we notice there is actually a reduction in the capital expenses; in fact, it's about \$210 million less than in 2013-14. Now, you mentioned in your opening remarks the government's ambitious investments in transportation infrastructure over the next little while and that you have pledged \$3.3 billion in new transit and transportation infrastructure this year alone. I'm wondering if you can please explain to us where that \$3.3 billion can be found in the ministry's estimates.

Hon. Steven Del Duca: I definitely appreciate your opening remarks. Again, I'm relatively new in this role; it's my first time appearing at estimates committee as a minister. So I'll do my best to keep my answers on point, and if I don't, members of the committee or the Chair can let me know how to sharpen those messages and keep them closer to the point so that we can get through as much material as possible.

I have no doubt that the deputy will, in just a moment or two, help provide some additional elaboration with respect to the question that was asked by the member from Kitchener—Conestoga.

I have had the opportunity to be through a wide variety of very crucial briefings, as the member mentioned in his opening remarks with respect to the opportunity that I've had to be in a number of communities across the province.

I said this in my opening remarks: There's no doubt that the appetite for additional investments in a wide variety of communities is quite significant.

The member is asking an interesting question about what has taken place before, and the deputy will allude to that in a second. But with respect to going forward, I do want it to be clear, and I believe that I made it clear in my opening remarks, that we have a very clear responsibility, whether we're talking about people who reside in your community or any of the other communities that make up the 107 ridings reflected in this Legislature—we have that clear mandate and responsibility to get on with the task at hand, to provide those additional investments, but, at the same time, to do it in a way that balances out the fiscal prudence that's mentioned in my mandate letter. From time to time, that will mean that there are efficiencies that are found within a system, and those efficiencies will from time to time be reflected in reports like the one that the member references.

Perhaps I can ask the deputy to respond to some of the specifics that you raised.

Ms. Carol Layton: Are you referring to page 34 of 86 of our estimates briefing book? I want to be sure that I understand where you're—

Mr. Michael Harris: You've pledged, in the budget, \$3.3 billion in new transit and transportation infrastructure this year alone. I just want you to explain to us where that \$3.3 billion can be found in the ministry's estimates.

Ms. Carol Layton: The ministry's estimates, which you can appreciate is a combination of, especially when it comes to capital—it's a combination of capital expense

and capital assets. Because we are on an amortized basis, we have to deal with our capital in terms of a life cycle. So there's a combination of, in a sense, the depreciation of our capital as well as the actual investments that we're doing. Our estimates, right now, in terms of capital: all in, the actual amount of capital to be voted is about \$1.7 billion. Then the amount of capital that is actually an increase to the asset base of the government—we have about \$80 billion in capital assets right now, and we're going to be increasing that by about \$1.4 billion. So the total capital and investments would be that combination of about \$2.6 billion. On top of that, of course, there's the reference in the budget to the investments that are going to be happening in Metrolinx as well as through other initiatives to support transportation and transit spending.

Mr. Michael Harris: You said \$2.6 billion, but the government has announced \$3.3 billion, so there's a difference there. Does that mean that money won't be spent this year on—

Ms. Carol Layton: No. Actually, I'll get Linda to come up. Linda McAusland, who is the CAO for the ministry, has the detail on the \$3.3 billion.

Ms. Linda McAusland: Good morning.

Mr. Michael Harris: Hi.

Ms. Linda McAusland: Thank you for the question.

It is on page 34, and there is a pie chart on page 35 that gives a breakdown of exactly where the capital is allocated.

The deputy spoke to the capital assets of \$2.6 billion. That's split between our provincial highways management division and our money for Metrolinx. There's also some money there for road user safety and for some of our IT programs.

Mr. Michael Harris: I'm specifically asking about the new investments of \$3.3 billion that the government has talked about and has pledged in the budget—if it's \$3.3 billion in new spending, where that sits. Where is that exactly? Is that amount fully accounted for in this—

Ms. Linda McAusland: It is fully accounted for. If you look on page 35, the chart: the \$3.3 billion and the provincial highways management.

Mr. Michael Harris: So that's new funding?

Ms. Linda McAusland: That's the total funding.

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Mr. Michael Harris: But in the budget, it talks about—you'd be investing an additional, over 10 years, \$28.9 billion, so \$3.3 billion, \$3.3 billion, \$3.0 billion. That's included, you're saying, in that.

Ms. Linda McAusland: That's right.

Mr. Michael Harris: All right. So—

Interjection.

Mr. Michael Harris: Yes, go ahead, Randy.

The Chair (Ms. Cindy Forster): Mr. Hillier.

Mr. Randy Hillier: Thank you. Just to follow up on that, I'm looking at that pie chart on page 35, and you've got \$2.6 billion under the tag line "Policy and Planning." "Policy and Planning" doesn't sound like an asset or—maybe fill me in a little bit on that. Policy and planning: How is that a capital expense?

Ms. Linda McAusland: Sure. Policy and planning promotes our public transit program. The bulk of that is under capital expense. Those would be our transfer payments to municipalities, so transfers to Metrolinx for the Toronto LRT, GO Transit expansion and rehab, and also to some municipal transfer payments, like the Ottawa LRT or the Waterloo RT and the TTC streetcar. So that number is all-encompassing and it is captured in that division.

Mr. Randy Hillier: Okay. So that might be better suited to be referred to as transfer payments. You're not actually—

Ms. Linda McAusland: It is under our accounting rules—

Mr. Randy Hillier: You're not doing any planning, or you're funding somebody else's policy or—

Ms. Linda McAusland: We're funding other people's capital, and that's why it's called capital expense. It is separated from our capital appropriation in that it's money that's operating that's used to support our capital program.

Ms. Carol Layton: And when you refer to subsequent pages in that printed estimates book, you will see that sort of detail, the detail as it relates to public transit investments, like the Ottawa and the Waterloo LRT that Linda mentioned, as well as the Metrolinx expenditures.

Mr. Randy Hillier: Okay.

Mr. Michael Harris: I'm wondering, Minister, if you can be clear, or add some clarity, with regard to the \$3.3 billion, because we hear that number quite a bit—" \$3.3 billion in infrastructure and transportation spending this year alone." I'm wondering if you can go into detail as to—perhaps even just the 10 top projects or the projects coming from that \$3.3 billion, if you can list those projects for us.

Hon. Steven Del Duca: Over the course of the last four months, since I've had the opportunity to serve as the Minister of Transportation—and you referenced this in your prefacing comments before you asked the first question today—there had been a wide variety of projects that I've had the opportunity to speak to, to either announce or to be part of.

If I can just drill down for a quick second with respect to your question, if you can perhaps provide some clarification. You had asked about whether the \$3.3 billion—that's what you're talking about—was actually contained, and you've received the answer from the folks here. But what exactly is it you're asking of me now? You want a list of the projects that make up the \$3.3 billion?

Mr. Michael Harris: Yes. You've got in the budget you've talked about, "Available for Investment in the GTHA—\$1.7 billion; Available for Investment Outside the GTHA—\$1.6 billion," for a total of \$3.3 billion. I'm just wondering if you can list or provide to the committee at a later time the list of projects that would add to the \$3.3 billion in those two buckets.

Hon. Steven Del Duca: I can give a list to you right now of projects that would have—I guess I'll use the phrase "participated" or would have drawn against some

of the monies that you were referencing a second ago. Toronto rapid transit program, York Viva phases 1 and 2—I referenced the York Viva plan, of course, in my opening comments—the Union Pearson Express project, Georgetown South project, GO Transit state of good repair, GO Transit expansions, Presto fare card, municipal transit—I mean, this is a list. Then we're also talking about southern highways rehabilitation, southern highways expansion/high occupancy vehicle lanes, ferries, AFP projects and highway municipal projects. So this is a list that hopefully would provide you with some clarification with respect to the \$3.3 billion that you're asking about.

Mr. Michael Harris: We'll perhaps come back to that later.

In your opening remarks, you did mention high-speed rail.

Hon. Steven Del Duca: I did.

Mr. Michael Harris: Prior to the 2014 provincial election, former Transportation Minister Glen Murray announced that the Liberal government would build a high-speed rail line connecting London, Kitchener-Waterloo, Pearson and downtown Toronto. This rail line was pledged by the Liberal Party in the 2014 election platform, but Windsor and southwestern Ontario were also added to the rail line. However, this project was not in the budget as a transit priority in the list of projects that will get funding.

Minister, why was the high-speed rail project left out of this year's budget?

Hon. Steven Del Duca: When we had the first occasion, immediately following the election campaign, to be back in the Legislature, if memory serves me correctly, I believe you actually asked a question of me on this exact same topic in the House.

Mr. Michael Harris: Possibly, yes.

Hon. Steven Del Duca: And I understand why it's of tremendous importance to you, of course, representing a riding in the Kitchener-Waterloo area.

I just had the opportunity the other day, along with a number of my colleagues, to be in Windsor, for example, and had the chance to speak to some individuals down there—not individuals aligned with government or politics. I was pleasantly surprised that there was an awareness in Windsor, for example, in talking to a couple of those individuals, about this pledge that we had made to take a serious look at and move forward with planning around high-speed rail to connect all of the communities you referenced a second ago. You know, I'm sure, because I'm pretty sure that I answered in the House back in the summer and certainly the Premier repeatedly has said—in fact, I believe she said it as recently as last Friday or the Friday before when she was in Kitchener-Waterloo for a conference—that we remain committed to dealing with high-speed rail, that we remain committed and are committed to moving forward with the Ministry of Transportation launching the environmental assessment process, which I know will happen in fairly short order.

That's a process, as you would know, as with all environmental assessments, that will certainly take some time, but it's the kind of process that (a) we're required to do, and (b) will help us deal with questions and consultations involving the communities.

Mr. Michael Harris: Has that environmental assessment commenced?

Hon. Steven Del Duca: No, it has not commenced, but I suspect that it will in fairly short order.

Mr. Michael Harris: Minister Murray announced in April 2014 that environmental assessments would begin in the fall of 2014—I'd consider this being now the fall—yet just after the election, Premier Wynne contradicted that statement when she announced that environmental assessments for high-speed rail were actually already under way. However, my own city of Kitchener staff reported in August that the assessments had not begun, which you've just verified.

I'm just curious: Which is it? The Premier said that they have, in fact, commenced; you're saying that they have not. I guess we'll go with you and the fact that they're not under way?

Hon. Steven Del Duca: With the greatest of respect, it's a little bit difficult for me to deal with quotes, citations, whatever it is, in isolation. What I can tell you, as I said to you in the House when you first posed this question to me—and I'm hoping I can be as clear as possible so there's no confusion, either for members of this committee or for those, perhaps from your community, who are watching—is that we are committed to high-speed rail. We're committed to launching the EA process. We have not launched the EA process yet, but we—

Mr. Michael Harris: When do you plan on doing that?

Hon. Steven Del Duca: I suspect that will take place before the end of the year, but I'm not here to make an announcement and I'm not here to actually finalize that date with the committee.

Mr. Michael Harris: I'm just wondering why your predecessor, Minister Murray, said in April that it would happen in the fall. How come that process hasn't started?

Hon. Steven Del Duca: I'm not here to comment on what perhaps was committed to previously by one of my colleagues. I think you do understand that the opportunity to embark on a project that's as large and as exciting as high-speed rail is something that we want to make sure, whether it's for the people of your community or for Windsor, London or Toronto—frankly, for people right across Ontario we want to make sure that we get it right.

Of course, the pre-feasibility study work has been done. MTO is in the stages of dealing with planning for the EA. I suspect it will be launched before the end of this year. I look forward to the work that MTO will undertake with respect to the EA process and I look forward to that work wrapping up so that we can get on with that project at some point in the future.

Mr. Michael Harris: Windsor was recently added. Is that something that's still in the mix that—

Hon. Steven Del Duca: Windsor will be included in the EA, yes.

Mr. Michael Harris: Windsor will be included in this.

Premier Wynne indicated that engineers and experts have said that it is possible to build the rail line within the decade. I'm just wondering if you can tell me if that is still the plan. Is it feasible to build a high-speed rail line within 10 years?

Hon. Steven Del Duca: There is no doubt in my mind that when you look at the scope, the breadth and the ambitiousness of the plan that we have before the people of Ontario, the \$29 billion that I have talked about repeatedly, that our government has mentioned repeatedly, there is a tremendous potential there. I'm not in a position today to give specific timelines around exactly how long it will take because, as I'm sure you know and understand, when you launch an EA process, when that work takes place over the short- to mid-term, there is a considerable amount of ongoing analysis that will take place as part of that EA process. Whether it's the route specifically, whether it's where a station should be located, whether it's the consultation with First Nations or consultations with communities themselves, there is a tremendous amount of work that is, by definition, embedded in that EA process. I'll be in a much stronger position, as that process is undertaken and as it rolls out, to provide more specific timelines.

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Most importantly—and I did stress this in my opening remarks—all of the decisions we make as it relates to not only high-speed rail but to the rest of the pieces of this transit and transportation puzzle need to be done in conjunction with one another.

One of the reasons that my commute is 20 minutes longer each way every single day is at least in part because perhaps for too long many of our transportation and transit decisions were made in isolation from one another. I don't want us to be in that world in 10 years.

When I look at my mandate, when I have conversations with people—we need to make sure that these decisions are knitted together, that they are seamless in how they roll out. Whether it's the two-way, all-day RER or the GO stuff that I talked about, whether it's high-speed rail, supporting municipal transit services, it needs to link together so that people have those options.

Mr. Michael Harris: Minister, you mentioned that there's immense potential for high-speed rail. What evidence do you have to actually back that up?

Hon. Steven Del Duca: Evidence to back up the fact that there's tremendous potential?

Mr. Michael Harris: Yes.

Hon. Steven Del Duca: I spent a few days on a personal vacation just a couple of weeks ago in Spain, and I had the opportunity to be in Barcelona and the area around Barcelona. My wife and I were there. She was there for work. I was there to get a couple of days of relaxation before I had to come to estimates, which I'm enjoying, by the way. I had the opportunity—we were staying in a community about 40 minutes outside of

Barcelona—to use the transit systems that exist there, while my wife was working. I had the opportunity to see first-hand the high-speed train that runs from Barcelona to Madrid. I had the chance to be on Barcelona's LRTs. I also had the chance to use their version of what I would call the commuter rail or regional express rail, which is electrified in their case. It gave me the chance to see that stuff first-hand.

I had the chance, as well, to speak to individuals who have lived in Spain over the last 20 years and witnessed first-hand the tremendous growth in infrastructure investments for projects like high-speed rail, and to see what the subscription rates are like, to see the uptake and to see the economic upside to them being able to successfully deliver on their high-speed rail.

It gives me a great deal of hope and confidence that, as we embark on the EA process for the project that we've committed to here in Ontario, we'll be able to develop routes, we'll be able to develop a plan that will position us well to deliver on this over the next decade for the people who reside in those communities.

There's a huge economic upside here as well. As a member who represents part of southwestern Ontario, you would appreciate that we have a very clear responsibility and mandate, as a government, to make sure—and we heard this loud and clear from the Deputy Premier and others in our ranks—that we keep investing in those communities that need a bit of a boost. When you look at southern Ontario, you see that there have been some very-good-news stories lately. By making these kinds of investments in projects like high-speed rail to connect cities like London, Windsor, Kitchener-Waterloo and Toronto, I think you're going to see tremendous economic activity that's spurred because of those investments.

Mr. Michael Harris: Have there been any research reports or a business plan that has been put together to evaluate the business case that would allow the government to make better decisions pertaining to high-speed rail? Has any investigation been done, any reports been given to you to validate the business case for making such an investment in high-speed rail?

Hon. Steven Del Duca: I appreciate that question.

I think you're probably alluding to that report that you've asked for in the past. I believe you asked it of me in the Legislature shortly after we came back following the election campaign—the pre-feasibility study done by an entity known as FCP. I think that's probably the report that you're alluding to. It's clear to me that you're aware of the fact that some work has been done within that realm and it's work that at least in part has helped form the basis for the decision to go forward with the EA process.

Mr. Michael Harris: Minister, your predecessor, Minister Murray, did talk a lot about that feasibility study. He was extremely excited to come back to the House and share that with his colleagues. Will you be willing to provide that report to this committee?

Hon. Steven Del Duca: I know, in particular, and I do respect this, that you've had a great deal of interest in

this. You asked the question of me—it might have been my second or third question period, literally, as a rookie Minister of Transportation when you—

Mr. Michael Harris: So you just had some time to think about that—

Hon. Steven Del Duca:—very eloquently asked me specifically about this report. Then, in your prefacing comments today, you gave the appearance of not knowing that there was a report, but that's okay. I understand that that's the case.

As I said to you, I think, back then—and certainly you've heard from others that there are some commercial sensitivities with respect to the report and the documents you're talking about here. I respect the fact that you have a particular interest in this, knowing, as I do and as we all do, that you represent a community in the Kitchener-Waterloo region, so I will take back that request and we'll get back to you.

Mr. Michael Harris: It's confusing how Minister Murray at the time touted the report and now, in the spirit of the Premier wanting to be more transparent with Ontarians—that if this is something that sounds so good, why wouldn't they release that report to the public to show them just exactly the things that you're touting? I'm just not sure why, in the spirit of transparency, you wouldn't want to table that report to the committee.

Hon. Steven Del Duca: I said this a second ago: I do respect the perspective that you're bringing to bear on this particular item. I know that you've spoken about it locally. I know that you've communicated to your own media, as you should, about the importance of some of the questions that you're raising. I do understand and I respect that.

When I looked at the responsibility that the Premier has given me when I read through my mandate letter and the conversations I've had with her, but perhaps as importantly when I've spoken to people who live right across the province of Ontario—I did my best to stress this in my opening remarks—the perspective that I bring to all of this is that we sometimes in government, regardless of partisan stripe or level of government, fall into the trap of endless debate, dialogue and discussion.

There's nothing wrong with healthy dialogue. There's nothing wrong with back-and-forth. We all thrive on that. That's one of the reasons that we all do so well—

Mr. Michael Harris: So, Minister—

Hon. Steven Del Duca: If I can just clarify, though, really quickly—I promise I'll wrap up quickly on this one. What is very clear to me is that whether I'm standing in Kitchener-Waterloo in my own riding or in any other community in this province—is that people want us to look forward with respect to how we will actually deliver. My mandate from the Premier, as it relates to high-speed rail, is to make sure that that EA process gets launched, to make sure that we define routes and that we define where, for example, other infrastructure, like stations, may be located along that route. But most importantly, kind of embedded throughout my mandate letter, is the notion that we can't end up in a world where

we are constantly chasing our tails, whether it's RER or high-speed rail, supporting all of the other transportation and transit work that we need to do as a province and as a region. We have to roll up our sleeves. We have to implement. We have to get on with it. I take that mandate very, very seriously. It's why the EA will be launched in relatively short order.

Mr. Michael Harris: What, roughly, would the cost be of an EA for such a project?

The Chair (Ms. Cindy Forster): You have three minutes.

Hon. Steven Del Duca: Sorry, could you just repeat the question again?

Mr. Michael Harris: Roughly what would be the cost to perform an EA and is that budgeted as well?

Hon. Steven Del Duca: I don't have an exact dollar figure for you for the cost of the EA, but I will get back to you with that as well.

Mr. Michael Harris: Is it included in this year's estimates?

Ms. Carol Layton: Actually, if I can circle back on one other thing, and that's the \$3.3 billion you talked about, because there are actually two different \$3.3 billions. I realize now you were looking at the 2014 budget, probably page 45 or around that. That shows you—because this also relates to your answer about how we're going to be funding the cost of the high-speed rail. In that budget there's a table there that talks about and breaks out that \$29 billion. It breaks it out over 10 years and it estimates for 2014-15, the current fiscal year, which we're just about halfway through. It shows you what would be spent in the GTHA versus what's outside of the GTHA.

The point that I'd make about that is that those of course are—this is the new announcement. This is \$29 billion over the next 10 years. That money is coming from a number of different sources. It will be in the context of the investment outside of the GTHA, that \$14 billion over 10, and you see here an estimate of \$1.6 billion of that \$3.3 billion—it would be in that context that we would see the funding for the high-speed rail. In itself the environmental assessment part of it, in particular, is long-term. It doesn't happen in a year. It's going to take some time. It would be funded through that sort of allocation.

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The Chair (Ms. Cindy Forster): One minute, Mr. Harris.

Mr. Michael Harris: So the business case, or the report or study done by First Class Partnerships—would there be anything in that report that would raise questions as to why an EA shouldn't be done to begin with? Wouldn't you think that taxpayers would want to know the business case of pursuing high-speed rail prior to doing an EA? Or are you confident that with this report, the information there provides you the business case of proceeding with an EA?

Hon. Steven Del Duca: Just so I can understand it clearly, because at the beginning of your question it

wasn't clear to me, you're asking me if the—actually, if you don't mind clarifying the question, it would be helpful.

Mr. Michael Harris: The study done by First Class Partnerships—the report is housed at the ministry, so I'm sure you've seen the report—does it provide a business case to actually proceed with an EA?

Hon. Steven Del Duca: I see, okay. It is important to recognize that the work that FCP did is what we call a pre-feasibility study. It's actually not a business case analysis in the traditional sense, but what it has done is provided confidence on the part of, as you mentioned, my predecessor and the Premier, that this is the right direction for us to take. As you know as well, part of being a government, part of being a Premier, and part of being a Minister of Transportation is setting out public policy objectives and setting out a platform and setting out a budget. That's a budget, a platform and a discussion that we all had a chance to have in that broad consultation with the people of Ontario that finished on June 12. It was a plan that was endorsed by the people then and passed by the Legislature a little bit later in the year, so we will be moving forward with the EA in fairly short order.

The Chair (Ms. Cindy Forster): We move on to the third party. Ms. DiNovo, you have about 12 minutes, and then we'll resume this afternoon.

Ms. Cheri DiNovo: It's not nearly enough time, Chair, but thank you.

Hon. Steven Del Duca: It's okay. There are lots more chances.

Ms. Cheri DiNovo: Welcome, Minister, and welcome to your role, and all your staff as well for the work that they do.

First of all, I just want to say some general things. I've been here at Queen's Park—I'm going into my ninth year now, and I think I've been through almost a transportation minister a year in that period of time, which I think might be part of the problem. The overarching concern, I'll just say, is about specifics. If we look at the TTC, for example, and we look at a 10-year capital financing plan or a plan for a rollout of projects, we see exactly what they're going to be doing, exactly what it's going to cost. I'm not seeing that from Metrolinx, and quite frankly, I'm not seeing it from your ministry.

When we met together, and thank you for that, I asked you, what is the rollout, year by year, of the projects? What is the rollout of the spending? When will construction start? It's basically the kind of questions that are pretty obvious. You said you would be able to get me that information by the end of the year. Now, your party has been in power for 11 years. We've been through the Big Move. We've been through Transit City. We've been through a whole lot of different plans. For the experience of folks in downtown Toronto, and I'll speak as one of them, the only difference we've seen in the reality of transit in our lives is the new streetcars, which is great—thank you—but that's it.

The other difference that we've seen, and this we expect to see very shortly, in 2015, will be the air-rail link, which will be running through our neighbourhoods with diesel trains at the rates of hundreds. They will be three-quarters empty, from what we can gather. The price will be exorbitant, so it won't actually be a transportation system for the people who live and work in the GTA. That's what we see.

That's the backdrop to what I'm going to be talking about. I'm very concerned about specifics, so if we could start with that.

Let's start with Adrian Morrow, because he wrote an excellent column in the *Globe*, so I'll start with him. Dedicated transit funds amount to only \$713 million in permanent revenues. The budget, on your page 46, says that these dedicated funds will be supplemented by asset sales—I'm almost quoting from his article—borrowing and federal funding which, of course, is maybe never. You seem to be missing about half the permanent revenues you would need in order to sustain average spending of \$1.5 billion per year. So you've got next year covered thanks to debt and asset sales, but how will you make up the shortfall year after year after that?

Hon. Steven Del Duca: I appreciate that question. If I can just, as quickly as I possibly can, say that I also enjoyed the opportunity to sit down with you over the summer. I know that you're someone who, as a member of your caucus, is very passionate about the issues that involve public transit and transportation infrastructure, of course, representing a community in downtown Toronto. I wouldn't agree—not surprisingly, I suppose—with every one of your opening comments with respect to improvements that people living not only in Toronto but across this entire region have seen as a result of the billions of dollars of investments that have taken place since 2003. I think you would probably—I hope, anyway—agree with me that when you are—

Ms. Cheri DiNovo: Sir, could I just interject—

Hon. Steven Del Duca: Of course.

Ms. Cheri DiNovo: —and remind you of something that my colleague reminded you of. Could you just get to the point?

Hon. Steven Del Duca: I'll get to the point, but you made an assertion—

Ms. Cheri DiNovo: Sure.

Hon. Steven Del Duca: —in your opening comments as it relates to the work that our government has done over the last 10 years, and as quickly as I—

Ms. Cheri DiNovo: As it's experienced in downtown Toronto.

Hon. Steven Del Duca: But I have friends, family, relatives and lots of other folks who live in downtown Toronto who would tell me that while they recognize the enormity of the challenge that we all face, they also recognize that there is no magic wand; there is no easy solution. You can't simply flick a switch and say you're going to improve service across the board at the drop of a hat. These are infrastructure investments that by definition take time.

We are trying to come back and do work, whether it's the Eglinton Crosstown LRT or a variety of others, through built-up communities, through areas that have existed. It will by definition take time; it will be disruptive. But in my mind there's no doubt that it will provide the positive benefits to the people who are looking for it.

Ms. Cheri DiNovo: So, the shortfall.

Hon. Steven Del Duca: I'm not entirely sure that I—in fact, I'm not at all in agreement with the assertion made by the reporter that you referenced a second ago. When I look at the budget that our finance minister put forward, which was approved by this Legislature over the summer, there is a very clear list of revenue-generating tools that exist in that budget that will put us in a position to provide the \$29 billion, the \$15 billion or so for the GTHA and the \$14 billion or so for the rest of the province. I'm happy to go through the entire list of each of those revenue-generating tools if you'd like me to.

Ms. Cheri DiNovo: What I would like, and I would ask this of your deputy and the folk in your ministry, is a rollout of project, expense, timelines going forward.

Hon. Steven Del Duca: Okay, that's a different—and I don't mind having that conversation right now. That's a bit of a different question from the stat that you threw at me from Adrian Morrow's piece.

What I said to you over the summer was, when you take into account—what I said earlier in my response to one of the other questions coming from one of the other members was that we have to make sure, and part of my core responsibility is to make sure, that whether you're in downtown Toronto or in Hamilton or in some other part of the GTHA, the decisions we're making around implementation of RER, the decisions around which of and how those projects that are in the next wave get funded and what sequencing takes place—that we are doing it in a way that makes sense based on very thorough, very considerable business case analysis.

The team at Metrolinx, which I believe is doing an extraordinary job and has been doing an extraordinary job, is working very hard to make sure that we're in a position—they do have a board meeting coming up in December. I think when you and I met, it was before their September board meeting where they started to flesh out some of the details around what phasing might look like with respect to the services that will be provided along GO RER. I expect more details will be provided at their December board meeting.

Whether we're in a position exactly at that December board meeting at Metrolinx, shortly before, shortly after or perhaps a month or two later—

Ms. Cheri DiNovo: So how can—

Hon. Steven Del Duca: —what's really important to me is to make sure that we actually get all of this right. So when we're looking at two-way, all-day GO, when we're looking at how that will be electrified and in what phasing and what lines, when we're talking about the possibilities around rail rationalization, dealing with CN and CP—of course, we had a great announcement not that many days ago about purchasing an additional 53 kilometres.

Ms. Cheri DiNovo: We've had lots of great announcements.

Hon. Steven Del Duca: But these are all steps, and I'm sure you would acknowledge that you don't provide, when you talk about a 10-year horizon to make this—

Ms. Cheri DiNovo: So why can the TTC do this and Metrolinx not do it—

Hon. Steven Del Duca: Well, I'm not here to comment on how the TTC runs itself.

Ms. Cheri DiNovo: —or your ministry, for that matter.

Hon. Steven Del Duca: I think there are lots of individuals who have very strong feelings about the extent to which the TTC does its work. That's for someone else to comment on.

What I can say, looking at my mandate letter and looking at the responsibility I have—and you've heard me stress this in our one-on-one meeting; I've said it earlier today already—is that when implementation, when getting shovels in the ground and getting on with that work, is so important, we do want to make sure that residents, whether from Parkdale–High Park or any other part of this region, have a sense of how it will flow, why it will flow, why the implementation will look the way that it will look and what they can expect to see. I share your desire to have a clearer sense of exactly what the implementation will look like, and we will get there, but I'm not interested in necessarily rushing it.

1010

Ms. Cheri DiNovo: Is there a date that we can look forward to actually knowing the plans?

Hon. Steven Del Duca: Again, I'm not here to make announcements regarding dates. I can tell you that we will release those details, working closely—the Ministry of Transportation and Metrolinx—together on this, as we've done the work, that business case analysis that needs to be at the foundation of how we make evidence-based decisions. We will get there. As soon as we have those, we will release them publicly.

Ms. Cheri DiNovo: Okay, so just flowing from that, we were looking at gas-tax revenue, we thought flowing into the Trillium Trust, but we now know that proceeds from gas tax revenue aren't. We also know that proceeds from asset sales aren't flowing into the Trillium Trust either, so we don't actually have dedicated funding for infrastructure, do we?

Hon. Steven Del Duca: I'm going to ask the deputy to provide—

Ms. Carol Layton: If you look at pages 45 and 46 of the budget, you'll see the different sources of revenue that will absolutely populate the two funds, the GTHA and the non-GTHA. It's pretty transparent—dedicating proceeds from 7.5% of the existing provincial gas tax are going into the funds.

There are some new revenue sources as well there; for example, restricting the fuel tax exemption for road-building machines and actually phasing in an increase of four cents per litre to the tax on aviation fuel. All that is being worked through, and actually, in the details of the budget, you even see more of that.

Of course, it does talk about allocating some of those gains from the asset sales, and it does talk about the leveraging of borrowing. It talks also about working with our federal partners around funding from the Building Canada Fund. It also talks about revenue, if it becomes available, through high-occupancy toll laning as well. So there are sources—

Ms. Cheri DiNovo: So you're planning on doing toll lanes?

Ms. Carol Layton: Pardon?

Ms. Cheri DiNovo: Are you planning on doing toll lanes?

Ms. Carol Layton: No, what this is saying there is that dedicating them when they become available—I think the key thing there, in the very public mandate letter of the minister also, is that we're certainly looking at the concept of toll lanes. That's a very thorough analysis that you have to do.

The Chair (Ms. Cindy Forster): Ms. DiNovo, two minutes left in this round.

Ms. Cheri DiNovo: So just very generally, the federal government is a big question mark, and asset sales are a big question mark. A lot of these categories are not what I'd call real revenue tools in the sense that you can count on them. That is, I think, what the concern is here, that we're not looking at money that's actually there, that you can count on, that is going to go into this. This is kind of a hope and a prayer at this stage. Obviously, you don't agree with that, but I would love to see actual figures attached to those. For example, the federal government: How much have they promised you?

Hon. Steven Del Duca: One of the things that I've been very fortunate about so far in my time as Minister of Transportation is that at virtually all of the announcements, particularly the large ones that I've been at, whether it was in Waterloo around their ION LRT, the streetcars themselves in the city of Toronto—I've been lucky so far because at many of those occasions, I've actually been able to stand alongside a federal representative because the federal government has had money.

I've had the opportunity at a meeting of my federal and provincial and territorial counterparts not that many weeks ago in Montreal to talk very directly to the federal Minister of Transport about the importance—I think we're a little bit lucky here in Ontario: The federal Minister of Transport happens to be an Ontario MP who represents the community of Milton, the community of Halton, in the federal House—obviously, a very fast-growing community in the province of Ontario. I think she gets the importance of making sure that there is continued federal support. But I would call on members of the Legislature, all 107 of us, to make sure over the next number of months that the federal government understands that this is not about electoral politics, this is certainly not about partisanship, and we need—

Ms. Cheri DiNovo: So they haven't promised you anything.

Hon. Steven Del Duca: No, but my point is that at these things that I've done so far—again, Waterloo's ION

LRT, in the case of the Ottawa LRT, in the case of the streetcars—the feds, to their credit, have been at the table. Can they do more, can it be sustained, and can it be predictable? It should be not just for Ontario but for every province across the country. That's a work in progress; there is no doubt about that. I think Premier Wynne has shown extraordinary leadership as the chair of the Council of the Federation to bring this issue to the fore, to make sure that her federal counterpart, the Prime Minister, and her provincial counterparts understand the importance of making sure that we have that. I'm an optimistic person by nature, so I believe we'll get there.

Ms. Cheri DiNovo: I hope you are.

The Chair (Ms. Cindy Forster): Thank you, Ms. DiNovo.

We're going to recess until after routine proceedings, so if you can make your way back here as soon as routine proceedings are finished this afternoon.

The committee recessed from 1015 to 1603.

The Chair (Ms. Cindy Forster): Welcome back. When the committee recessed this morning, the third party was up and had 18 minutes left in rotation. Ms. DiNovo.

Ms. Cheri DiNovo: Thank you, Chair. Thank you, Minister and staff, for being here and answering questions—well, not so much answering questions as giving us estimates of answers to questions. That's why it's called the “estimates” committee, I guess.

I'm going to follow up on the Adrian Morrow question, as I call it, because I thought that was a very insightful Globe article, and talk about the Trillium Trust again and the fact that it really isn't a dedicated transit fund. We learned that asset sales even could be—there's no promised money there.

So I just want to ask you a yes or no question about the Trillium fund; that is, will you make dedicated funding a legally binding commitment? Unless you answer yes to that question, how is Metrolinx ever to know what money they have to work with? So the question, yes or no: Why won't you make the so-called dedicated funding a legally binding commitment?

Hon. Steven Del Duca: I'm going to begin by answering that question, and then I'm going to ask the deputy to actually provide a little bit more information with respect to some of the stuff that you had referenced earlier today because we've had a chance to go back and come up with more relevant data around some of the questions you asked.

I think everyone here, and everyone watching, would be aware of the fact that over the course of the summer—I don't remember the specific day now—here in the Legislature the Minister of Finance was successful in passing Ontario's 2014 budget. That's a budget that contains a broad explanation of a number of the revenue-generating tools that will be the basis of providing our government with the \$29 billion over the next 10 years, as I said this morning—the \$15 billion or so for the GTHA and the up to \$14 billion that will be invested outside of the greater Toronto and Hamilton area for transportation and transit infrastructure.

There's a long list that was contained in budget 2014 that helps to explain exactly how we intend to generate the revenue that's needed. We at the Ministry of Transportation and, of course, the team at Metrolinx are working very hard, as I said this morning, on the business case analysis so that we can make these decisions around implementation, which you referenced in one of your questions earlier today, in a way that's evidence-based so that we can provide a seamless transportation and transit network across the greater Toronto and Hamilton area. For example, the dedicated funds that were in budget 2014 for public transit and for transportation infrastructure would be supported by dedicating proceeds from seven and a half cents of the existing provincial gas tax to public transit. I mean—

Ms. Cheri DiNovo: Could I interrupt you there, Minister? Because clearly, this isn't dedicated funding if you can move assets away from transit. The question again—I come back to it—is, will you make this a legally binding commitment; in other words, a really dedicated fund? What makes it dedicated, other than just a promise?

Hon. Steven Del Duca: I think when you pass a budget in the Legislature in the province of Ontario that contains all of these elements, when you begin—for example, not that many days ago I had the opportunity to stand beside my colleague the Minister of Finance when we launched the first issue for the Green Bonds initiative as it relates to the Eglinton Crosstown LRT. I know the deputy will also be able to speak to the success that we've had so far in terms of what I would call the interest or almost the subscription interest, let's call it, for those folks who have wanted to come forward and make those investments.

But from my perspective, when you pass that budget, which we did, and the budget contains very specific measures around how these revenues will be generated, when the Premier has made the commitment, when the Ministry of Transportation is also working towards providing the transparency through an online portal that will demonstrate, at the click of a mouse, to residents of Parkdale–High Park and people living across the province of Ontario—

Ms. Cheri DiNovo: This goes back to my earlier question that says, in fact, you haven't been very specific about those revenues, and you certainly haven't been very specific about the dedicated funding in the Trillium fund. That's my question. If it is in fact there, if it's binding, as you seem to imply that it is, because you're saying it's part of the budget, then why not make it legally binding so that Metrolinx can do some real planning? Why not say yes to the question?

Hon. Steven Del Duca: Because Metrolinx is doing its planning. Metrolinx is working very hard alongside the people from the Ministry of Transportation, some of whom are here in the room today, to bring forward the business case analysis that is required. People out there, in your community and mine, expect that we won't make these decisions, so to speak, on the back of a napkin and

that there will be evidence-based decisions that are taking place. That's the work that's being undertaken right now. So the planning is happening. We have a budget in place that's been approved in the Legislature, which contains a wide variety of revenue-generating measures. We've had some very early success with the Green Bonds issue that I referenced a second ago, which the deputy would be happy to provide more information on right now. I actually do find it interesting, so—

Ms. Cheri DiNovo: It doesn't sound like I'm going to get a yes or no answer to that, "legally binding."

Hon. Steven Del Duca: What we're going to get here in the province of Ontario is a plan that moves us forward, that invests the \$29 billion in transit and transportation and other crucial infrastructure over the next decade. What people will see at the end of that process is, for example, regional express rail and two-way, all-day GO, which you will see in communities from—

Ms. Cheri DiNovo: And why is this not just a promise? How can we count on this if we don't know that there's actual money there and how much that money is?

Hon. Steven Del Duca: This is an ideal time for the deputy to weigh in and explain to the committee, for example, on the one piece, which is green bonds—exactly what the situation is with that first issue.

Ms. Carol Layton: First of all, I would also acknowledge that the actual notion of dedicated funds came right through in the investment strategy that Metrolinx released, as well as in the Transit Investment Strategy Advisory Panel report that was chaired by Anne Golden. In the 2014 budget—and I wouldn't underestimate a commitment made in a budget—it was acknowledged that those were the two sources that the Ministry of Finance took some guidance from, so first of all, I acknowledge that.

Secondly—

Ms. Cheri DiNovo: But the gas tax? Let's say the gas tax, for example: There's no guarantee that that's going to go towards transit. There's no guarantee that the sale of assets is going to go towards transit. Why will you not just say to this committee, "We guarantee that they will?"

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Ms. Carol Layton: I guess the point that I'd make on that front is that, first of all, the principle that has been established in the 2014 budget is indeed that—that the repurposed, as they call it, revenue from gasoline tax, as well as from the HST on gasoline tax, as well as three new tax sources, as well as from asset sales, have all been committed to the funds. Those are commitments.

The other point too is, the commitment to accountability and transparency through, once those funds are established—and that's the work that's under way right now with the Ministry of Transportation and the Ministry of Finance, to work through all of that. Once those funds are established, it's a commitment to both an online portal, which would be looking at the source of the funds, as well as how those funds are being used by project, as well as through the documents like the fall economic statement and through public accounts—

Ms. Cheri DiNovo: Okay. So the Trillium Trust has not been established, then? It's not established yet?

Ms. Carol Layton: The Trillium Trust was an earlier trust that has been established. So the dedicated funds, in a sense, take their lead from that one. So exactly how the Trillium Trust itself will blend in with that one is one that is being worked out right now.

Ms. Cheri DiNovo: So it's being worked out.

Hon. Steven Del Duca: What I had said a second ago, which I think is really important to illustrate—the very strong and early signal and success that we've had with a fairly significant component of this plan.

Deputy, if you could share with the committee exactly what has taken place with that first Green Bonds issue—

Ms. Carol Layton: Sure. Back in mid-September, Minister Sousa and Minister Del Duca actually talked about the launch of that first green bond, and that was just to test the market. It was the inaugural issue of a green bond. Just on October 9, what was reported there was that that first green bond made by any government in the country, actually, was oversubscribed, in a sense. There was a strong demand for it—orders approaching \$2.4 billion against a \$500-million bond issue. Also on that, that bond itself has been committed for the Eglinton Crosstown LRT project, but that just shows you the demand for Green Bonds. So that borrowing is part of—

Ms. Cheri DiNovo: Okay. That's the only shovel in the ground that I'm aware of right now—the Eglinton project. So if—

Hon. Steven Del Duca: Sorry. When you say “the only shovel in the ground,” I'm not sure that I understand. If I could ask for a clarification.

Ms. Cheri DiNovo: Well, in the GTA, in Toronto.

Hon. Steven Del Duca: Well, that's actually not entirely true. We have a number of projects for which there are shovels in the ground. I referenced this morning when I was talking about what has taken place in my own home region of York region with the Viva BRT, which is opening up—pieces of that are opening up on a regular basis. There's construction in my own community.

The Spadina subway extension, which of course runs up to York University and up into York region as well, will create an extraordinary opportunity for students at York University and those living in York region to be able to commute—there's a wide variety of projects that are currently under way.

Ms. Cheri DiNovo: I guess I'll segue into the question, then. When Transit City was discussed and when Rob Ford was still mayor and wanted to shelve Transit City and your government went along with that, even though council hadn't approved it, then later, when council reopened it—we're talking about a span now of—we're into three years of that span, I suppose, the only thing that I can see in the city of Toronto that's changed—and you mentioned the streetcars. Yes, the streetcars are there. That's relatively recent, but is that tunneling—it almost looks like Rob Ford got his way.

Hon. Steven Del Duca: In response to that, I would say that you have to take into account—and I say this with the greatest of respect, but I also say it as a 905

MPP, I think and I would advise, recommend, encourage all committee members to take a holistic look at exactly what's taking place across the entire system.

Ms. Cheri DiNovo: Oh, we will. We'll get to that.

Hon. Steven Del Duca: But we should right now, because this morning when I spoke, I referenced the fact that earlier this summer I was in Waterloo, where we did the groundbreaking on phase 1 of the ION LRT, something that I know the provincial government has committed roughly \$300 million towards; the Ottawa LRT project, which I referenced earlier today as well—this list goes on. But in the GTHA alone, we are talking about GO stations that are being constructed, additional parking spots that are being brought to bear, more service on the Lakeshore west and east lines. When you put it in the entire context—

Ms. Cheri DiNovo: We'll talk about the parking spots later, too.

Hon. Steven Del Duca: —Presto that we can talk about, moving towards fare integration—

Ms. Cheri DiNovo: Okay. Fair enough, but let's focus in, then. I asked you a yes-or-no question. If there are actually funds that are dedicated—and I'm going to ask you in a minute what those funds are and how much is in each one of them that is dedicated towards transit—why won't you make a legally binding commitment that the Trillium Trust be dedicated funds for transit? I don't understand what the hesitation is.

Hon. Steven Del Duca: It's not a question of hesitation; it's a question of: Nobody in the community that I represent is looking for us to engage in what I would term administrative redundancy, which is what seems to be at the heart of the question you're asking. When the deputy said, as she did a second ago, that we are actually oversubscribed with our first Green Bonds issue, which means that we are potentially generating certainly what we are hoping to for that particular issue when we—

Ms. Cheri DiNovo: So Adrian Morrow is incorrect.

Hon. Steven Del Duca: Well, I haven't had the opportunity to read, at least that I can recall, the specific piece that you were referencing a second ago. But what I can tell you is that at the Ministry of Transportation—working, again, very closely with the team at Metrolinx—we are building a plan that will make sure that we have evidence-based analysis, that we have the business case analysis required so that we can, over the next number of months, explain to the people of all of our communities exactly how we're going to implement and deal with the phasing, in particular of items like the RER, which I talked about a second ago, which will be transformative for the whole region, but also a number of other projects. So I'm not—

Ms. Cheri DiNovo: Let's get into the specifics then. In the next year, from the gas tax, how much do you project you'll raise?

Hon. Steven Del Duca: In the next—if I can just clarify, you're talking about—

Ms. Cheri DiNovo: The dedicated funds for the gas tax. How much in the next year from the gas tax will go towards transit?

Ms. Carol Layton: What was announced—I'm going to go back to the budget, because I always go back to what's actually in the public domain.

On one comment that you made about the Eglinton Crosstown, if I may, Ms. DiNovo: You talked about how Rob Ford got his way because of the tunnelling of the Eglinton Crosstown. I have been in the job at MTO for four years, so before Mr. Ford was mayor, and I can assure you that 10 kilometres of that 19-kilometre-or-so stretch was always to be tunnelled, and in fact that tunnelling is well under way. I just wanted to make sure—I think you know that. It's right in your neighbourhood.

Ms. Cheri DiNovo: Yes, I do know that, but in four years, people in the downtown core—we see the new streetcars, but that's all we've seen of what seemed to be a pretty reasonable plan, which was Transit City.

But let's get back to the gas tax next year.

Ms. Carol Layton: Sure. Back to the gas tax: In terms of the actual math, I would defer to my colleagues in finance, but the proceeds of the 7.5 cents of the existing provincial gas tax will be dedicated to public transit and transportation infrastructure priorities. That's 7.5 cents. You may know that the tax on gasoline, which is out there in the public domain, is 14.7 cents, so it's a very material—

Ms. Cheri DiNovo: Sure. So the dedicated funds you project to get from that in the next year—what will they be?

Ms. Carol Layton: The only public document that I can refer to, actually, is the one that's on page 45 of the budget, and that's the one that Mr. Harris also referenced. It's the one that does show you, going out three years, but on a 10-year basis as well, how you break out the \$15 billion and the \$13.9 billion. I know that it's easy just to say it will be about \$1.5 billion a year. It's a little bit variable.

For example, in the 2014 budget it estimated, for the GTHA, \$1.7 billion, and outside the GTA, \$1.6 billion, using Statistics Canada per capita census information.

Ms. Cheri DiNovo: So that's next year's spending.

Ms. Carol Layton: That's an estimate of the amount of funds that would be available in the current fiscal year—

Ms. Cheri DiNovo: From the gas tax alone?

Ms. Carol Layton: No, from all the different sources that will go in.

Ms. Cheri DiNovo: Okay, so that's what I'm trying to break down here. What do you estimate, from the gas tax alone, you'll make in the next year that will go towards—

Ms. Carol Layton: It's actually something we'd have to defer to the Ministry of Finance.

Hon. Steven Del Duca: Yes.

Ms. Cheri DiNovo: Okay, so can I get that figure? There has got to be some projection based on experience and history. Could I have that figure forwarded to my office?

The Chair (Ms. Cindy Forster): Ms. DiNovo, you have about two minutes.

Ms. Cheri DiNovo: Okay, fine. We're going to go along that track.

The next one: I'll give you a heads-up—

Hon. Steven Del Duca: Perhaps I can make it easier for you. All of the revenue-generating measures that are contained in budget 2014—if you're looking for an estimate as to what they would earn on a go-forward basis, then those are, as the deputy said and I would repeat as well, questions that are best placed, I think, with the Ministry of Finance.

Ms. Cheri DiNovo: Well, actually, similar questions were asked of the Ministry of Infrastructure, and they sent us back to you. It's fair enough—you're dealing with transportation and you're trying to build it—that you know where the revenue is coming from and what it is. I agree with them, so I'm asking, I think, at the appropriate place. You're saying that you're going to get money from these revenue streams. What amount of money is that and from which streams?

Hon. Steven Del Duca: I think, in terms of this being the appropriate place, when you review my mandate letter—which, of course, for the first time in Ontario's history is publicly disclosed; the first government ever in this province's history to make sure that those mandate letters have gone public so that everyone can see—you'll see that my responsibility is to implement a transportation and transit plan, and that's an implementation plan that will be based on the revenues that will be generated: \$29 billion over the next 10 years. If you have questions—

Ms. Cheri DiNovo: So you're going to see what you get and then spend it. Is that the plan?

Hon. Steven Del Duca: No. We will invest, over the next decade, \$29 billion, as I've laid out, in transportation and transit infrastructure. But I think the specifics that you're looking for on a go-forward basis—

Ms. Cheri DiNovo: How do you know it's going to be \$29 billion if you don't know what the revenue is?

Hon. Steven Del Duca: —bearing in mind that you're looking for a go-forward projection.

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Ms. Cheri DiNovo: Okay.

Hon. Steven Del Duca: I think those are questions that are best put to finance.

Ms. Cheri DiNovo: Minister, we are going to go forward on this one, that's for sure.

The Chair (Ms. Cindy Forster): Thirty seconds, Cheri. You're done?

Ms. Cheri DiNovo: Yes.

The Chair (Ms. Cindy Forster): Okay. We will now go back to the minister. You have 30 minutes to perhaps respond to some of the questions that came out in the last hour.

Hon. Steven Del Duca: Sure. I appreciate that very much, Chair. As I said this morning when I began my introductory remarks, this has been a wonderful opportunity for me and the team here at the Ministry of Transportation to engage in what I think has been a lively discussion so far. I've genuinely appreciated the ques-

tions. It's clear to me that here in this room and also across the province, as I mentioned this morning when I spoke, there is a great deal of passion and interest about the plan that our government has to make sure that we move Ontario forward. I know that there is, as I said, a great deal of energy and passion here in this room. It's clearly on display by the members, and I appreciate that.

I think that we should—or at least, I will continue to remain focused on talking to this committee in my answers about the plan that we have to go forward to make sure that the province is sufficiently built up as it relates specifically to the mandate that I talked about in my opening, the mandate that appears in my ministerial mandate letter.

We talked a little bit near the end of the questioning from the member from Parkdale–High Park about the gas tax. I think it's important to remember that our government has actually made the gas tax program permanent, which means that since 2004 we have committed more than \$2.7 billion in gas tax funding. Today, the Dedicated Funding for Public Transportation Act is providing eligible municipalities with a guaranteed source of funding for expanding transit.

To continue progress, we'll engage other provinces in encouraging the federal government to support a strong economy by partnering on transportation. And as I said earlier today when I was speaking to this committee, I think I've been fortunate so far in my time as minister because I've been able to participate in a number of public events, announcements and ground breakings where the federal government has actually been standing alongside the province and the particular municipality in which we have been located for those announcements. That's good news, I think, whether for the people of Waterloo or Toronto or Ottawa or elsewhere, because they see that all three levels of government are working together.

I've also had the chance to speak directly to the federal Minister of Transport when I was in Montreal a few weeks ago at that meeting, that I referenced this morning, with my provincial partners and the federal partner to talk about the transit and transportation strategy we have in Ontario and to make sure that the federal minister is very clearly understanding of the fact that we do need in Ontario a committed, stable federal partner to be at the table with us.

I wanted to spend just a minute, as well, to talk about some of what's taken place earlier today in my own ministry. Of course, Ontario, I think you would all know, has among the safest roads in North America. Earlier today in the Legislature I was very, very proud to introduce my first bill as Minister of Transportation, which deals largely with making sure that Ontario's road safety remains a priority for this government and a priority for all of us. This is legislation that in many respects had been previously introduced but had died on the order paper on May 2 when the Legislature was dissolved and an election was triggered. The former bill, 173, dealing with road safety, dealing with distracted

driving, for example, and making some improvements to dealing with issues around alcohol-related—or individuals who have—

Mr. Randy Hillier: Point of order.

The Chair (Ms. Cindy Forster): Point of order, Mr. Hillier?

Mr. Randy Hillier: Just for clarification, this is the estimates committee; it's not ministerial statements time. Unless the bill that you introduced today has some significant relevance to or impact on the estimates that you've tabled with this committee, it would be out of order.

The Chair (Ms. Cindy Forster): Thank you, Mr. Hillier. Actually, it's the minister's 30 minutes and his right of reply.

Interjection.

The Chair (Ms. Cindy Forster): For estimates.

Mr. Randy Hillier: For estimates.

The Chair (Ms. Cindy Forster): For transportation.

Hon. Steven Del Duca: I appreciate the member's question and, of course, his ongoing, abiding commitment to making sure he works with all of us, not just in eastern Ontario but right across this province, to make sure that our roads and highways remain safe.

As I mentioned a second ago, this is legislation that in many respects had been previously introduced in the Legislature. We have added a couple of pieces that I think are very important. I was excited to see so many of our road safety partners in the room for the announcement that we made earlier today, and I know that because there was such broad support—and frankly, even earlier today I heard from a number of members of the opposition in the hallways, in the corridors of this building, about how they have in the past provided strong support for this kind of legislation, that they look forward to the discussion and they look forward to our getting on with this legislation specifically so that we can move forward and tackle items like drug-impaired driving, distracted driving and a wide variety of others.

When I was talking to the federal Minister of Transportation, I also wanted to bring to her attention that the safety of our rails here in Ontario is equally important, so I took that opportunity to express to the federal minister and to my provincial colleagues that any federal rail safety changes must not dilute the standards that are currently in place provincially here in the province of Ontario. As I said earlier, I also reinforced that there is a very clear need for a stable, predictable federal funding partner to be at the table in discussions with us as we go forward to help build Ontario up.

Of course, I also want to stress—I didn't get this chance this morning quite as much because most of my opening remarks dealt pretty clearly with transit and public transit. I think it's also important to note it's not just about transit, of course. We do need to provide alternatives and make significant investments in our roads, in our bridges and in our highways.

Since 2003, our government has committed more than \$22 billion to design, repair and expand provincial high-

ways and bridges across Ontario. In 2014-15 alone, Ontario is investing \$2.5 billion in highway rehabilitation and expansion projects across the province. Our government is committed to completing Highway 407 east through to Highway 35/115. We know how important Highway 407 east is to the communities in Durham region and in Peterborough and Kawartha Lakes. It's essential to local job creation, it's essential to economic growth and, frankly, it's essential in terms of dealing with reducing congestion.

At the Detroit-Windsor border, the \$1.4 billion invested in the Rt. Hon. Herb Gray Parkway is part of a long-term solution to the movement of both people and goods. Our private sector partners anticipate that the overall project will be completed by summer 2015. And in northern Ontario, our government remains firmly committed to completing the four-lane expansion of Highway 69 to Sudbury. To date, 50 kilometres are complete and an additional 20 kilometres are under construction.

Recently, I was very proud to stand as Minister of Transportation in York region and East Gwillimbury when we opened a 13-kilometre extension of Highway 404—and the new member from Newmarket–Aurora was there with me that day. This is an extension that will take 22,000 vehicles a day off local roads, making those communities safer; and it will help reduce travel times for commuters and commercial vehicles. This is more proof of our government's commitment to making the daily commute, and therefore quality of life, better for Ontario's families.

As part of that commitment, we are also, as we discussed a little bit this morning, considering options for introducing high-occupancy toll lanes in the GTHA. By allowing carpoolers to use these lanes for free, we'll continue offering people an incentive to change the way they travel. Individual drivers would be able to choose to drive in the lanes for a toll, while open lanes would still exist on all highways.

Highways are valuable infrastructure. It's vital to our economy to keep these arteries moving. To reinforce this point, it is useful to consider the role of roads in getting goods to our most important trading partner. In 2011, Ontario-US trade was \$281 billion. This represents 65% of Ontario's total international trade; 74% of that trade with the United States travels by road. Keeping those goods moving smoothly creates and maintains good jobs for all Ontarians, and just as important, keeping all traffic moving safely ensures that everyone reaches their destination.

I've talked at length already about the legislation I introduced in the Legislature earlier today, in the public event that I did just before introducing that legislation. One of the items that I didn't reference a second ago was how we plan to encourage, build upon and enable Ontario's cycling strategy. Our government is very proud to have introduced #CycleON, which is this province's first cycling strategy. Wherever Ontarians live, cycling should be and must be a safe and healthy option, either for necessary trips or just so that folks can enjoy the out-

doors. Our #CycleON strategy will provide a \$25-million cycling infrastructure investment, including \$15 million for provincial infrastructure and \$10 million for municipal infrastructure. The strategy is being implemented through a series of action plans. The first is now available and outlines our priorities for 2014 and beyond.

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The province will continue to play a leadership role to make Ontario a more cycling-friendly province. But we are inviting municipalities, the public, road users, businesses and non-governmental organizations to partner with us.

As I said earlier today when I was joined by the member from Cambridge and a number of others at the public event around this legislation, the excitement around this particular piece of the legislation dealing with our cycling strategy and helping to enable it was every tangible in that room.

It's interesting because we often talk, as I did in my remarks a second ago, about the importance of cycling from the standpoint of making sure that people remain safe and healthy on the roads and have the chance to see some fantastic parts of Ontario. But one of the things that came up in remarks made by others at the podium today was the fact that you can't underestimate—or you can't overestimate, I guess I should say—the positive impact from an economic development standpoint of dealing with the cycling community and having a strong cycling strategy in place in terms of how it will pay dividends, in terms of job creation and economic productivity. That's something that is also part of the foundation that underpins the work that we're doing around our cycling strategy.

To ensure that all Ontarians benefit from our plans, generally speaking, there needs to be a range of transportation options. Part of the Ministry of Transportation's efforts in the year ahead will focus on developing a transportation framework that makes best use of all modes of transport. For example, intercity bus should remain an attractive, affordable option for Ontarians. Intercity bus helps students get home for a visit. It helps seniors stay connected to family, and it helps job seekers get an interview and get to an interview. It allows Ontarians to explore their province, which supports jobs and tourism.

I want to thank the former parliamentary assistant at the Ministry of Transportation for reviewing the economic regulatory regime governing the intercity bus industry. I want the committee to know that I've asked one of my current parliamentary assistants, Kathryn McGarry, the member from Cambridge, to build on this work and explore options for modernizing the economic regulatory regime governing the intercity bus industry, to ensure that intercity bus travel remains an attractive option for Ontarians.

In all of our activities, the Ministry of Transportation will continue to take a holistic approach to transportation planning to ensure that it achieves maximum benefit for all Ontarians. As minister, I will also work with the

Minister of Economic Development, Employment and Infrastructure to examine how short-line rail could support the needs of industry.

MTO will align its planning with the province's growth plan and other provincial plans. This will include working closely with Metrolinx and the Ministry of Municipal Affairs and Housing. My ministry will also work with northern development and mines to implement the Growth Plan for Northern Ontario. We are working to develop a Northern Ontario Multi-Modal Transportation Strategy to support economic growth in that region.

We will choose to invest wisely in initiatives that strengthen Ontario's competitive advantage, create jobs and provide vital public services to our families.

Our 2014 budget reinforces our commitment to balancing the budget by 2017-18. Transportation, like every area, must adhere to the program spending objectives.

Ontario's economy, culture, education, services and quality of life rely on the movement of people and goods. Ontario has highly educated, creative, hard-working people. They build businesses, launch start-ups, generate ideas, create art and invest in their communities. It is hard to do these things when stuck in traffic or limited in mobility.

I talked about some of my own experiences over the last 10 or 11 years as a resident in the GTHA. Congestion leads to questions that we don't want Ontarians to have to ask:

"Should I expand my business and hire? Is it getting harder to make deliveries now?"

"Should I bid on that construction job? Will my workers be able to get to the site on time?"

"Should I study at a particular college or university, because getting there for morning classes may be tough?"

Seamless, reliable and effective transportation allows Ontarians to answer "yes" to these and other important questions. They are free to pursue opportunities anywhere they find them. They have access to museums, festivals and parks that interest them. Every job, every client, every opportunity is within reach.

It's not only Ontarians who want certainty. Businesses choose our province for its highly skilled workforce, its strong communities and its beautiful environment. Continued investment in infrastructure, including transportation, builds confidence in our province's long-term success.

Our government's most recent speech from the throne made clear that creating good jobs will be fundamental to building more opportunity and more security, now and in the future. This critical priority is supported by strategic investments in the talent and the skills of our people from childhood to retirement. That's why our government is committed to building Ontario up, to creating new opportunities and to championing a secure future for people across our province.

Our plan, Moving Ontario Forward, will support the building of that modern infrastructure, that transit and that seamless transportation network. This, in turn, will support a dynamic business climate that thrives on

innovation, creativity and the partnerships needed to foster greater prosperity.

I talked at length this morning about my own two daughters, my soon-to-be-seven-year-old and three-year-old, and as I was going through these rhetorical questions a second ago, I thought about them again, Chair, and I thought about their future. I know, again, as I reference the work that's outlined for me in my mandate letter from the Premier—and I say this looking at committee members who also, as I said this morning, have young children or perhaps children who are a little bit older now and have had to wrestle with some of these questions themselves—that we will have achieved what we need to over the next decade as we seek to invest wisely, based on evidence and based on sound business case analysis, the \$29 billion that is at the foundation of our Moving Ontario Forward plan.

We will have achieved success if we can provide the yeses that I talked about a second ago in response to those rhetorical questions. I know that the extraordinary team at the Ministry of Transportation, working closely with the women and men at Metrolinx, will put us in a position over the next number of months, as we discussed earlier today at this committee, to explain more about what the implementation of that 10-year plan will look like. I know that as I continue to spend time away from this building in regions, cities and communities across the greater Toronto and Hamilton area and, frankly, right across Ontario, I'll be in a position to make sure that a number of communities have a clear sense of exactly how the investments will flow to them. I'm very excited about continuing to have the opportunity to work on projects that will truly transform how we move individuals across this entire region, like the regional express rail.

I know, as I mentioned a little bit this morning as well, that we are in the process of dealing with or experiencing what I'll call municipal election season. There is, regardless of where I travel in this province, a ton of excitement about investments in roads and bridges and highways. There is a ton of energy out there in the discussions that are taking place around public transit in those communities for which that's crucial, not just here in Toronto but elsewhere as well. There's a lot of excitement about the fact that the Ministry of Transportation has taken concrete steps to improve and prepare our responsiveness in advance of this coming winter season with some of the announcements we made just a few days ago around winter maintenance and how it will positively impact the experience that people have on our roads and highways for this upcoming winter season.

There is a lot of work that has already taken place. I have spent a fair bit of time so far today talking about the considerable investments that have been made since 2003. There is a lot more work to be done.

I know that even here in this room, here in this building, there is a ton of interest in these topics. I know I will continue to be here for the balance of my time at estimates, but I do look forward as well—and this is one

of the brilliant parts of being involved in this particular ministry. There isn't a day that goes by that a member from some other part of the province—not only from my own party, but from the two opposition parties as well—will not come to talk to me about specific issues that relate to transportation or transit for their communities. I've had the chance to learn a lot about what is taking place and what impacts those communities across the province. I look forward to learning more.

But the one answer I give to every MPP who comes to see me is that we at the Ministry of Transportation will continue to work hard. From the deputy on down, everyone who is behind me here today and everyone else who is doing such an exemplary job at the ministry understands very clearly the importance of providing top-notch customer service. It's something they've certainly heard me talk about.

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The team at Metrolinx understands that as well, not only dealing with MPPs of all three parties and municipal officeholders, but the community at large. It doesn't mean that our work is done on any of these issues that I've been talking about today and I know I'll continue to talk about for this afternoon and beyond today. It doesn't mean that our work is done. It doesn't mean that it's mission accomplished here today. There is much more work for us to do. But I am resolute with respect to making sure that the work does get done, and I am extremely optimistic and confident because I know that we have that clear plan. It is an ambitious plan.

I did spend some time this morning talking a little about the fact that there will be disruptions, that there will be expectations to manage. There's no other way to deal with this, because again, when you talk about the size, the scope and the breadth of what we are going to accomplish over the next decade—but it's an exciting time for me to be in this role. It's an exciting time for me to have the chance to work with all of you. Long after my time at estimates is done, I think it's important for me to also convey to all the members of this committee and the other members of the Legislature—I want to make sure that at the Ministry of Transportation I am held accountable and we're held accountable, because people are depending upon us. The stakes, as the cliché goes, are very, very high.

That's why I talked a little bit earlier today about the importance of the fact that we have, for the first time ever—or the Premier has—made our mandate letters publicly available. This means that anybody, at the click of a mouse, can determine exactly whether or not this minister or that minister is doing everything that's within their mandate letter. I think that's actually not just an important step; I think it's a revolutionary step in terms of transparency and in terms of our commitment to being an open government. I look forward, over the next four years, or at least for as long as I have the honour of serving in this particular role on behalf of the Premier and the people of Ontario, to being held accountable for delivering on the contents of my mandate letter. That's

not a partisan comment; I think that's what the people of my own community of Vaughan and the people of our entire province have by way of an expectation for all of us who have the privilege of serving.

Over the course of the balance of my time here at estimates, I look forward to great discussions and great questions. I do understand very clearly how passionate you all are. I know what the role of this committee is. I think it's a fantastic opportunity to dig a little bit deeper into some of the facts and figures and data that are there to help make sure that everyone has a clear sense of how we plan to go forward. I know, in my own community, I know in communities right across the province of Ontario, as I said earlier—tons of excitement about where we plan to take this province in terms of building it up over that next decade—billions of dollars in investments. It's a very exciting time to be in this role. I do look forward—Chair, I'm not sure how much time I have left.

The Chair (Ms. Cindy Forster): About five minutes.

Hon. Steven Del Duca: About five minutes. I think it's really important to note as well, and I did want to say this earlier in my 30-minute response time, that I didn't want to give the impression when I was speaking earlier today—it's because I had lost track of time, so I had spent most of my time focused on issues relating to what I guess would be perceived as public transit. I said it this afternoon. I want to make sure people understand: As important as public transit is—and it is—and as crucial as the investments are that we're making, it's not exclusively about public transit. There are a lot of communities, many of which I had the chance to meet when I was at, for example, the AMO conference over the summer, that will come to me, whether they're from ridings like Glengarry–Prescott–Russell or others, and will say to me, “Look, we understand that in some of your larger urban centres, you have very sophisticated public transit. But in our communities, we have roads, we have bridges, we have highways. That's our public transit.” It's a very compelling message because it's not wrong.

That's why it's important to recognize that we have invested billions of dollars already over the last decade in projects that will support those communities. It's why we continue to invest. It's why we have the \$2.5 billion that I referenced a few minutes ago for 2014–15 as it relates to rehabilitating and expanding roads, bridges and highways across the province of Ontario. But it's also why the Premier of Ontario, during that AMO conference, announced the \$100 million in funding that will be designed to specifically support communities that feel that we need to be there, and we understand why we need to be there. So, very exciting news at the AMO conference around exactly that particular piece as well.

I didn't get a chance this morning to, I believe, adequately convey that aspect of my message. I wanted to be in a position this afternoon to make sure that for those who may be watching, living in communities that don't have public transit systems, you are equally a partner in making sure that Ontario has the brightest future possible. It means that you have to experience the

same degree of prosperity, opportunity, stability and security that a person living in a large community like Vaughan or Toronto does as well. It doesn't matter whether you are in the north or southwest or in the east; you will have that same opportunity.

Of course, many in this room and outside of this room would have heard over the last number of months the Premier talk extensively about the notion of one Ontario. I can't think of another ministry where that notion of one Ontario is more clearly demonstrated than the Ministry of Transportation because, when you look at that \$29 billion to be invested over the next decade, it is essentially roughly split 50-50 between communities in the greater Toronto and Hamilton area and communities that fall outside. I think that's very much in keeping with one of the Premier's foundational philosophical notions of one Ontario.

I do look forward, Chair, over the course of this afternoon, to having the chance to answer more questions. I've referenced already today that the Deputy Minister of Transportation and the rest of the team behind us are here in case there's a specifically technical question that can be answered for a member of this committee.

With that, I think I'll end my remarks and I'll throw it back to the Chair. I'm happy to take the next round of questions.

The Chair (Ms. Cindy Forster): Thank you. We move to the official opposition. Mr. Hillier, 20 minutes.

Mr. Randy Hillier: Thank you very much, Chair, and thank you for being here on this lovely day, Minister.

Hon. Steven Del Duca: Thank you.

Mr. Randy Hillier: I found it interesting, in your comments and your reply, where you said that the mandate letters were revolutionary. I found the choice of words interesting because with the previous two ministers that we've had in estimates, clearly their statements have been circular—not so much revolutionary—when it came to explaining their mandate letters and their refusal to be open and transparent. I trust that you, Minister, will be far more forthright and less circular than what we've seen with the other two ministries.

Earlier today my colleague from Kitchener-Conestoga asked about the feasibility study that had been referenced by the previous minister and also by the Premier. The commitment was made that that feasibility study would be forthcoming after the election, but this morning—and clarify if I'm incorrect here—you indicated that it was not a feasibility study but a pre-feasibility study. Is that correct?

Hon. Steven Del Duca: To my recollection, I, as Minister of Transportation, have only ever referenced that report as a pre-feasibility study.

Mr. Randy Hillier: And it is a pre-feasibility study.

Hon. Steven Del Duca: Sure. But the important thing, I think, to recognize, for members of the committee, is that, semantics aside, whatever label you want to put on that particular report, I think what's important for us to remember, as I said earlier today, is that the Ministry of Transportation, over the next short while, will be launching the EA process for the high-speed rail project.

Mr. Randy Hillier: I just want to stick to this, because words are important.

Hon. Steven Del Duca: Where I come from, action is actually more important, but that's okay; I take your point.

Mr. Randy Hillier: It's not just semantics; I want to be clear that it is a pre-feasibility study that you have. You have not done a feasibility study on that rail link.

Hon. Steven Del Duca: Again, I refer you back to the mandate letter that I have—I have a copy of it here; I'm happy to share it.

Mr. Randy Hillier: So do I.

Hon. Steven Del Duca: I'm not sure if you've had the chance to read through it.

Mr. Randy Hillier: I have.

Hon. Steven Del Duca: It's a few pages. You'll see very clearly, both in word and in tone—it's very clear in this letter that my responsibility, on a go-forward basis, is to make sure that we are moving forward with a wide variety of very important projects. When I said to your colleague this morning, to his questioning, that we would be launching the EA process, that's the commitment that I've made since becoming the Minister of Transportation. It's the commitment that the Premier of Ontario made, to my recollection in the Legislature, when she was in Kitchener-Waterloo just a few days ago. It's something that we're—

Mr. Randy Hillier: I didn't ask anything about the EA. I just wanted clarification that you have a pre-feasibility study—you do not have a feasibility study—and the pre-feasibility study will be tabled at some point. There has been confirmation that it would be tabled by the past minister and by the Premier, and we're expecting that to be tabled shortly, I would expect.

But I do want to ask this. This pre-feasibility study: Is this something that would have been undertaken by ministry staff, employees of the public service, or would that have been done by an outside consultant?

Hon. Steven Del Duca: When I referenced it this morning, I referred to it as the FCP pre-feasibility study. That's—remind me what the acronym stands for.

Ms. Carol Layton: First Class Partnerships.

Hon. Steven Del Duca: First Class Partnerships.

Mr. Randy Hillier: I just wanted to make sure we're on the same—"pre-feasibility study" is a term that we don't often come across. I've read many feasibility studies, but a pre-feasibility study is something that—a feasibility study is when you evaluate and analyze and look at what the best way is to get to what you've decided you're going to do.

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I'm not sure what a pre-feasibility study is. But I was wondering: Could you make that criteria that the ministry undertook—and you went out looking for a consultant to do a pre-feasibility study—could you provide this committee with the parameters that were requested by the MTO to develop this pre-feasibility study?

Hon. Steven Del Duca: Because I think it's important—because we both had a bit of a back-and-forth on

this, and I think it's important for every member of the committee to hear exactly what my mandate letter says with respect to high-speed rail—I think it's important for clarification.

Mr. Randy Hillier: But my question is—

Hon. Steven Del Duca: I understood your question. I'll get to that in a second.

Mr. Randy Hillier: No, no. You had your 30-minute reply; you've had your 30-minute introduction; you've done your ministerial statements. Now it's time to answer the questions. The parameters for hiring that consultant to do that pre-feasibility study: Would you make those parameters available to this committee?

Hon. Steven Del Duca: I'll take that request back, yes.

Mr. Randy Hillier: That's not a yes.

Hon. Steven Del Duca: You're right; that's not, at this point, a yes, so I'll take that back—

Mr. Randy Hillier: So it's not quite being open and transparent.

Hon. Steven Del Duca: I think one of the things—

Mr. Randy Hillier: Is it commercially sensitive?

Hon. Steven Del Duca: There are elements that are commercially sensitive. But one of the things that I said to your colleague earlier today—and it's something that has been echoed in comments that I've made publicly on this since becoming the Minister of Transportation—one of the things that you have to understand—and this is not just as it relates to high-speed rail but as it relates to a lot of the work that we do around making these kinds of investments in crucial public infrastructure: The EA process—

Mr. Randy Hillier: I'm not asking about the EA process.

Hon. Steven Del Duca: No, but you're asking about feasibility studies. So I just want to help you understand a little bit more clearly about the work that actually takes place to produce results for your community and Kitchener-Waterloo and others. So if you could just bear with me for one second—

Mr. Randy Hillier: Listen, I don't want a long, rambling response here.

Hon. Steven Del Duca: It's not long and rambling. It will actually be very much to the point on this.

Mr. Randy Hillier: I asked: Can you provide the criteria—you went out to the marketplace looking for a consultant to develop a pre-feasibility study: if you'd provide that to this committee. And the answer has been: Maybe so, maybe no.

Hon. Steven Del Duca: My response was, I will take that back and we will get back to you.

Mr. Randy Hillier: Okay. And my response to that is, that is somewhat less than forthcoming and somewhat less than open or transparent. Unless there was some commercially sensitive information, I don't believe how you set the criteria for a pre-feasibility study.

But let me go on to the next question, because words are important. Minister, you'll know that on April 30 your government came out with a commitment to do

high-speed rail between London, Kitchener and Toronto. Then it was further expanded to include Windsor. You've also told us, and it's also in the mandate letters, that you're going to make decisions to invest wisely, that you're going to do it through the lens of fiscal prudence, and that you're going to be open and transparent and you're going to make sound business decisions. On April 30 you made a commitment to do high-speed rail. There is not a feasibility study done; there is possibly—well, not possibly; I understand there is this pre-feasibility study. How can you make a commitment for high-speed rail when you haven't even done a feasibility study for it first? Is that wise?

Hon. Steven Del Duca: What I've done since becoming the Minister of Transportation—which, as I said a second ago, was echoed and repeated by the Premier; I've said it in the Legislature; she has said it in the Legislature; she said it in Kitchener-Waterloo last Friday or the Friday before, and it's consistent with what's in my mandate letter on page 3, which is that I'm responsible for advancing environmental assessments for high-speed rail, building on the greater Toronto and Hamilton area's forthcoming regional express rail network, which will link, as we've talked about, Toronto, Lester B. Pearson International Airport, Waterloo region and London as well as London and Windsor.

The commitment that I've made since becoming the Minister of Transportation—which the Premier has also talked about extensively, and I said it this morning in response to questions from your colleague: In the not-too-distant future, possibly before the end of this year, the Ministry of Transportation will launch an environmental assessment for the high-speed rail project that will run from Toronto to Kitchener-Waterloo to London to Windsor. In that work, generally speaking, around environmental assessments, there is a ton of the kind of analysis that—

Mr. Randy Hillier: Listen, I'm well aware of what environmental assessments are.

Hon. Steven Del Duca: I'm not sure if you are because based on your questions it would seem otherwise.

Mr. Randy Hillier: I've been involved in project management for a long time.

Hon. Steven Del Duca: A layperson would ordinarily expect a lot of the work that takes place in any EA to be around this notion of what the layperson will call feasibility. I just wanted to make sure that was clearly understood.

Mr. Randy Hillier: So you've made the announcement. You made the commitment, or your ministry has, and the Premier has, without having a feasibility study done. I guess we're waiting for your prerogative whether or not the pre-feasibility will be shared with the estimates committee. I am disappointed, Minister. I do think a mandate letter is important. I think it's important that people abide by the expectations—

Hon. Steven Del Duca: I agree.

Mr. Randy Hillier: —and we ought not to take our responsibilities lightly or shirk them in any fashion. So

when the Premier of this province says to the public that we are going to be open and transparent and accountable, I take her at her word. You cannot be accountable if we cannot see what you're doing or what you have done. If there is no measure, then there can be no accountability, and that pre-feasibility study and the lack of a feasibility study makes those words less than truthful, less than genuine, I think, in anybody's measure.

I'm going to turn it over to my colleague from Kitchener—Conestoga. But there are two other things that would help me in my questions for tomorrow. They're lists I'm going to ask you for; if you could provide this committee with two lists. I did see the significant increase in the estimates for your fleet acquisition on page 46 of the results-based book, and I was wondering if you could provide the committee with a list of the fleet acquisitions.

Also, something that I could not find in the estimates and I'm hoping that you'd be able to share with us is the expenditures estimated for your ministry on expropriations this year.

Hon. Steven Del Duca: Would you like an answer to one of those—

Mr. Randy Hillier: If those are available now, sure, but—

Ms. Carol Layton: Sure. Just on the fleet acquisition, that in particular I'd like to answer right now. Expropriation is another one that we could get back to you on.

On the fleet acquisition, it's been over the last few years that we've been centralizing the fleets that were existing in all the different ministries into MTO. So now in this year's printed estimates, 2014-15, you are seeing—with the exception of things like the OPP and the MNR planes—that we have now consolidated the fleets. So it's not an increase in cars and fleet—

Mr. Randy Hillier: So we should see a corresponding reduction in the—

Ms. Carol Layton: —in the other ministries. They would be smaller numbers, but you're talking 20-plus ministries.

Mr. Randy Hillier: Sure. Okay. If you could provide a basic outline of those acquisitions—

Ms. Carol Layton: We'll get back to you on that. On both those questions, we'll get back to you.

Mr. Randy Hillier: Okay.

The Chair (Ms. Cindy Forster): Mr. Harris, you have about six minutes.

Mr. Michael Harris: Sure. Minister, the budget prioritized the electrification of the GO lines, focusing on UP Express, the Lakeshore and the Kitchener line. However, there's been a variable increase in the budget to Metrolinx. I'm just wondering if you could let the committee know how much money is being allocated this year for the electrification of those lines.

Hon. Steven Del Duca: Again, the commitment around electrification, which is a fundamental part and parcel of the regional express rail initiative that our government has committed to undertaking—is that this kind of goes to the point that I raised this morning when I

was discussing the notion around communities knowing that we plan to make significant investments, communities understanding that electrification will be an important part of the regional express rail transformation.

But everyone does have to remember that this is a very large undertaking. We have seven GO rail lines or GO train lines in the province of Ontario, and Metrolinx is currently undertaking, along with the ministry, as I've said earlier, the business case analysis about how that implementation will look, which includes implementation dealing with issues relating to the electrification. So—

Mr. Michael Harris: So how much money is being allocated this year for electrification? A simple question.

1700

Hon. Steven Del Duca: It's not really a question that's, with the greatest of respect, going to give you what you're looking for, if you don't mind me saying, and I say this very respectfully. Electrification is, again, at the heart of what that transformation will look like when it is completely and fully rolled out. But there is a ton of work that needs to take place. The deputy can speak to this in a quick second if she'd like to, but there's not necessarily a breakout to say, "Within all of the work that's taken place around getting us from where we are today to the full rollout of regional express rail, this is a specific amount around electrification." It's embedded in the work that's taking place generally around taking our—

Mr. Michael Harris: Metrolinx, when they're project-managing or budgeting as to all the projects that they've got ongoing—you would think they would want to know roughly how much they have to spend for this year on electrification, since it is a priority—you've listed this as a priority in the budget. So I'm just asking a simple question on how much you've allocated in the budget, be it that you've identified this as being a priority for Metrolinx to actually allocate directly for electrification.

Hon. Steven Del Duca: The deputy will speak in a quick second on this, but I just want to make sure we do understand that the lines you referenced a second ago, or I think you referenced—it was hard for me to hear, but I think there were three out of the seven—

Mr. Michael Harris: Yes, UP Express, Lakeshore and Kitchener.

Hon. Steven Del Duca: Those were along with the other four lines that we currently have. The plan is to make sure that, over the decade, we have that two-way, all-day, the RER that we did talk about, and electrification is a very important part of that. But it is a 10-year horizon. With that, I'm going to ask the deputy to speak specifically as to how that might be broken out—in the shortest term possible.

Ms. Carol Layton: First on the Union Pearson Express: It's the environmental assessment process that we're working our way through. It's complete for the 25-kilometre corridor, but the power supply environmental assessment is the one that is subject to approvals right

now. So that's the first piece of EA work that has been done.

As the minister said, in the GO Transit system there are seven major corridors all radiating out from Union Station, with different complexities along each one of those corridors. But if you went onto the Metrolinx website itself and looked at their board reports, you'd see, for the September 5 meeting, you'd get a sense of the scope and scale of what it means to move towards regional express rail and to the electrification that we're talking about, which is over the 10-year period; things like, for example, 500 kilometres of overhead catenary system that has to be developed; extensive renovations to over 60 rail stations—it's right here in the deck that's available on the Metrolinx website; around 340 new track installations. As the minister said earlier this morning, 80% of the GO network is owned by GO, but the majority of that, maybe about 50%, is single-track. To move to the types of systems we're talking about—high-speed, limited-stop, all-stop, different things like that—there's going to have to be more track work.

In all of that, the first two steps: one is the business case analysis that the minister spoke about, because we're talking about evidence-based; and the second is the environmental assessment work. All of that work, as each public board meeting comes and goes—and the next one will be in mid-December, with Metrolinx—you'll see progress. They will report out again. It will be in subsequent meetings that we will start to get the clarity that we need. But I can assure you that the work is extensive with the agency, and I can also assure you that there are many, many working groups that are involved with it.

The other point I'd like to just make, if I may—and this relates also to Ms. DiNovo and her comment about the expectation of certainty of what you have in terms of budgets and all that—is to not also forget Bill 6, which has been tabled by the new administration, which is the Infrastructure for Jobs and Prosperity Act, which, once passed, will look to, in legislation, 10-year infrastructure plans. There are many elements to that piece of legislation. I don't have that in front of me—

Mr. Michael Harris: I just asked—

Ms Carol Layton: That's an important component.

Mr. Michael Harris: Be it that Metrolinx is in charge of actually getting the work done and there's a very limited increase to Metrolinx's budget, yet you're talking about electrification: How is this going to happen if you've not put the money in the bucket? The Liberal election platform stated that all GO Transit lines would have upgrades for electrification within 10 years. However, the CEO of Metrolinx, Bruce McCuaig, noted that the new objective for electrification is to try and deliver as much as possible over a 10-year horizon.

I'll ask you, because you're tasked with actually implementing this: Do you believe your government can actually fulfill its goal for electrification of the entire system in 10 years? Yes or no?

Hon. Steven Del Duca: I know that the team at Metrolinx is working very, very closely. I've said this a

few times today, so I do apologize for repeating myself. I also referenced the fact, in terms of making sure that expectations are managed about the time horizon—10 years is a long time period during which we have to deal with this—that I am very, very confident, I have a very high expectation, that Metrolinx, working with MTO, will be able to come back over the next few months—the deputy mentioned that they have a—

The Chair (Ms. Cindy Forster): Time is up, Minister.

Hon. Steven Del Duca: Okay. Next round.

The Chair (Ms. Cindy Forster): Ms. DiNovo, 20 minutes.

Ms. Cheri DiNovo: Thank you, Chair.

To follow up, I asked you about a commitment of dedicated funding. I asked for a yes-or-no answer. I did not get that, and now I'm increasingly seeing why I didn't get it, because the very question of funding is a question indeed. Minister, to be fair, there's nothing rhetorical about it. No one could be sadder for the fact that there seems to be no real plan and no real funding principle in place for even next year. So we're going to go through that again, because I, quite frankly, can't believe what I'm not hearing.

You have said you're going to spend \$1.7 billion in the GTHA on transit next year. I asked you about the gas tax. You don't have a projection as to how much you will get from that, although that's one of the revenue tools. I'm going to ask about other things, too, that are in those revenue tool boxes. Clearly, we don't know what the feds are going to do. They're interested; they turn up at ribbon cuttings. That's good to know, but that's not money. Anybody in this room who plans on building anything, be it a house or a doghouse in their backyard, usually plans ahead. They know not only the timetable; they know what the revenue tools are going to be.

This is not asking for something esoteric or rhetorical. This is asking for how you're going to pay for something you've promised: \$1.7 billion.

So, gas tax: We don't know. Now I'm going to ask you about—

Hon. Steven Del Duca: If I could, Ms. DiNovo—

Ms. Cheri DiNovo: Okay.

Hon. Steven Del Duca: I didn't say we don't know. I said that was a question that was better posed to the Ministry of Finance. And to save you a bit of your time—

Ms. Cheri DiNovo: Okay, but it's not a Ministry of Finance question.

Hon. Steven Del Duca: It is.

Ms. Cheri DiNovo: You're the Minister of Transportation.

Hon. Steven Del Duca: But I'm not the minister of revenue generation; I'm the minister of dealing with the implementation. So to save you a bit of time on your 20 minutes, if you'd like, respectfully, my answer to the rest of the questions, if they are exactly analogous to what you've asked on the gas tax, would be that those are better posed to the Ministry of Finance. It's up to you to

ask them, but my answer will likely be the same if they're exactly the same question.

Ms. Cheri DiNovo: Okay. Here's the question, then: What has the Ministry of Finance promised us in the way of gas tax revenue for transportation? Because how can you plan a transportation system if you don't know what money is coming in? The ministry of revenue has said, "We will give you \$1.7 billion," but they haven't broken it down at all?

Hon. Steven Del Duca: The deputy can respond to some of this as well, if she'd like. I am very clearly focused on the fact that we have in front of us that very clear and ambitious plan. We have, between the Ministry of Finance—yes, there are always conversations that exist between ministries dealing somewhat in common with something that they are planning to go forward with. We talked to you already today about how well, at the earliest instance, the Green Bonds initiative has—

Ms. Cheri DiNovo: Is all that money going to go for transit?

Hon. Steven Del Duca: —the kind of success that it—as far as I know, yes, it's going specifically to the Eglington Crosstown LRT.

Ms. Carol Layton: The first issue.

Hon. Steven Del Duca: The first issue, yes. That's the commitment that we made the day that myself and Minister Sousa participated in that announcement.

Ms. Cheri DiNovo: Is it going to the \$1.7 billion for next year, too?

Hon. Steven Del Duca: You're asking me if it's being specifically dedicated to next year's \$1.7 billion?

Ms. Carol Layton: The point that I'd make on this is that \$29 billion over 10 years, \$15 billion for the greater Toronto and Hamilton area—order of magnitude; that's pretty simple, isn't it—\$1.5 billion in each of the next 10 years. We know, though—and it's public, again, on page 45 of the budget—that it's going to be up and down a little bit. It might be \$1.7 billion one year and \$1.6 billion another year. We are comfortable working with the Ministry of Finance and with that degree of certainty to do the detailed work that we're doing, as we are with Metrolinx—

Ms. Cheri DiNovo: So you don't know how much the Ministry of Finance is getting from these revenue tools, but you're comfortable that somehow they're going to get \$1.7 billion to you with no guarantee of where it's coming from in terms of revenue tools or what the specific amounts are? You're just tasked with—

Ms. Carol Layton: The gasoline tax, for example, is a well-over-\$2-billion tax, and—

Mr. Han Dong: Point of order, Chair.

The Chair (Ms. Cindy Forster): On a point of order, Mr. Dong.

1710

Mr. Han Dong: Thank you, Madam Chair. I think that for the past five minutes the honourable member of the committee has been asking the same question.

The Chair (Ms. Cindy Forster): So what is your point of order?

Mr. Han Dong: The question relating to finance—I believe we have five hours of committee time allocated for the Ministry of Finance. So may I respectfully suggest that we could defer these questions to the Minister of Finance?

The Chair (Ms. Cindy Forster): Mr. Dong, it's actually Ms. DiNovo's 20 minutes.

Mr. Han Dong: I understand that.

The Chair (Ms. Cindy Forster): She gets to ask the questions. If the minister chooses not to answer them, for whatever reason, it's appropriate.

Ms. Cheri DiNovo: It's okay, actually, Chair. I'm going to move on anyway. I'm going to move on to the air-rail link and the Union Pearson Express because the minister has mentioned his children on a number of occasions.

There are dozens of schools along that track. The Toronto Board of Health has always said, from the beginning of this project, that that rail should be electrified and not diesel for the sake of our children's health. Let's talk children.

They're running through Mr. Dong's riding. They're running through Ms. Albanese's riding. They're running through Davenport and through my riding. When I had a meeting with Mr. Murray, when he had your job—that was a meeting where there was a deputy minister involved, and a Clean Train Coalition spokesperson was there. Mr. Murray at that meeting said—to be fair, he said, "I can't promise you, but we are planning on electrifying that air-rail link by 2017."

Ms. Albanese put that out to her constituents. I put that out to my constituents. Then we hear from Bruce McCuaig at Metrolinx, whom I've had many meetings with over the years—and many transportation ministers later—that this is virtually impossible.

Who is right—Mr. Murray and your ministry or Mr. McCuaig and Metrolinx?

Hon. Steven Del Duca: I appreciate that question. I would hope that the member from Parkdale–High Park, who is asking that question—I do recognize we've had this conversation one-on-one when you came to see me. I do recognize how passionate you are about this issue. I know that it impacts your riding. It certainly does impact the members from Davenport and Trinity–Spadina. You mentioned York South–Weston. I talk to my caucus colleagues on a regular basis about this.

I'm at a disadvantage to answer a question about what you may or may not have heard from the previous Minister of Transportation in an informal meeting. I'm sorry, I'm not in a position to make a comment on that.

What I know from everything that I understand about the plan going forward dealing with the commitments that we've made around electrification for the Union Pearson Express is that they would be subject to the EAs being completed and subject as well to having the financing in place to proceed with that.

I know that Metrolinx is well aware of elements of the communities' desires around the future for that air-rail link. I think the deputy mentioned this already once at

committee today. I think you might know this too. There are two separate EAs around the Union Pearson Express that have been undertaken. I think I know what you're looking for, but it's hard for me to make a comment about what might have taken place under a previous Minister of Transportation in the meeting that you were referencing a second ago.

Ms. Cheri DiNovo: It was also said in the House in Hansard. It's in Hansard.

Hon. Steven Del Duca: I'm sorry to say I don't have a copy of Hansard in front of me. I'm not saying that you're wrong; I'm just saying I don't have that here in front of me at this particular moment.

What I know is that we have heard loud and clear about the need to go forward, generally speaking, with the notion around electrification. The Union Pearson Express, of course, is one of those projects that's on the list, part and parcel, of the work that Metrolinx will continue to do. Once the environmental assessments are fully completed and dealt with and financing is in place, I would expect that we would move forward with that. I'm not in a position today to give you a hard date or timeframe around that, but we will move as expeditiously as we can, based on those parameters—the EAs being completed and accepted and financing being in place to proceed with it.

Ms. Cheri DiNovo: So you don't know when the EA is going to be completed and you don't know when the financing will be in place?

Ms. Carol Layton: The first EA, the one that relates to the overall route, the transit EA, has been completed. In fact, on Metrolinx's website they acknowledge that it's done. The other one has been submitted, so it's a question of approval. That's the one that relates to the power supply. That is one that actually also has to involve Hydro One. So it's one that is just waiting in the queue for approvals.

Back to the financing: That all relates to the greater Toronto and Hamilton area \$15-billion fund. With the assurance of the passing of the 2014 budget—one of the most accountable documents that we have in any administration is the annual budget. So the assurance of that money there is there as well. So now it's a question of that final approval and then get going with the planning. It's a complicated corridor, a 25-kilometre stretch. I talked about the catenary systems, the power supply, everything else that you are talking about, protecting that corridor, because of the fact that you're going to have live wires.

I checked in with Bruce McCuaig today on this, and he confirmed with me that certainly what was always the statement out there, that 2017 was always in the context of—and I'm recalling this many times as well—EA approvals as well as in the context of the funding, and those are the things that are falling into place, actually with the passing of the 2014 budget.

Ms. Cheri DiNovo: Sort of, except we're not sure about it because we're not sure of those revenue tools. But that, again, is not yours; it's finance.

Ms. Carol Layton: If I could just—

Ms. Cheri DiNovo: We're going in a circle here, there's no question.

So let's get down, again, to some other questions I have about the air-rail link. If it costs roughly \$65 million to operate the Union Pearson Express and you're only expecting about 2.46 million—I'm using your figures here—by 2020, each paying a \$20 fare, that's about \$50 million in revenue, leaving a \$15-million-a-year gap. So that means you'll need a subsidy of more than \$6 per business traveller. Is this correct?

So the question is, what is the projected deficit for the Union Pearson Express in 2020, and what is the per rider subsidy you calculate for the Union Pearson Express? How much are you going to be subsidizing each rider on that?

Hon. Steven Del Duca: I think you're aware of the fact, Ms. DiNovo, that Metrolinx hasn't finalized the work that it's undertaking to land on a final fare—a fare for what it will cost to ride the Union Pearson Express. When you take into account that they're still doing their work and their—

Ms. Cheri DiNovo: I expect it will be—yes.

Hon. Steven Del Duca: And when you also take into account that there is more to supporting the operation of a line like the Union Pearson Express than simply just the fare, I'm sure there are other opportunities for revenue-generating support to be brought to bear. I think it's premature for me to make a comment on where we will land around any kind of potential operational subsidy until we know exactly what that fare is going to be.

Ms. Cheri DiNovo: One of the questions I get asked, and I'm sure Mr. Dong gets asked and people in our ridings get asked all the time, is why in the world was this not part of our transportation, our TTC system? Why weren't there more stops? Why wasn't it seen as a system that could somehow be contiguous with a transportation system for people—in a sense, a relief line of sorts? Was that never even considered by you or Metrolinx?

Hon. Steven Del Duca: Well, I think you would understand, of course, coming into this role as Minister of Transportation on June 24 this year, that from my perspective, my responsibility is to make sure that the project is completed and launched on time. It is a project that is scheduled to be, let's call it, delivered on time and on budget, which I think is something that we should stress and we should recognize and be happy about.

This is a project, to my knowledge, that has a fairly long history in terms of how it came to be, how it evolved. I am in a world now, as the current Minister of Transportation, to make sure, working with Metrolinx, that it is operating in time for the 2015 Pan/Parapan Games. It will be. I know the team at Metrolinx is working very hard to land on a fare that makes sense, a sophisticated fare that makes sense—

Ms. Cheri DiNovo: So it's going to be more than \$20?

Hon. Steven Del Duca: I can't comment right now, because Metrolinx is still doing its work.

Ms. Cheri DiNovo: So an unaffordable air-rail link hurried together for a two-week sporting event that will not carry anybody from place of residence to work affordably in any way, shape or form, designed to carry business travellers who, quite frankly, as we all know, will probably take a cab from the airport and not the air-rail link. Does this make sense to you? And, by the way, it's diesel, so that our children's health all up and down the line will be put at risk, not to mention the property values of people who live in Liberty Village, who live in my riding, who live in York South-Weston, who live in Trinity-Spadina and who live in Davenport. Does this make sense to you?

Hon. Steven Del Duca: Well, you know, from the conversations we've had, I do understand and respect the passion that you bring to this topic. I don't share your pessimism around what the future outlook is for the Union Pearson Express. When we're in a position to deliver these large, important, crucial public infrastructure projects, I think we should celebrate the fact that this one is being delivered on time and on budget. I think this will provide Torontonians, GTHA residents—

Ms. Cheri DiNovo: We're not sure it's going to be delivered on budget, because you haven't really answered my question about the subsidy per fare.

1720

Hon. Steven Del Duca: I'm talking about the delivery of the project itself in terms of building it and starting to operate it. I think that people who live in the greater Toronto and Hamilton area and beyond, tourists coming to our region—I've lived in this community, this region, all 41 years I've been alive, and this will be the first opportunity to have that direct link, which of course exists in many other cities that have international airports around the world. There are a number of those truly analogous air-rail links that exist in other communities that do well. That's the work that Metrolinx continues to undertake. I'm sure—

Ms. Cheri DiNovo: Could you name a city where the air-rail link is diesel?

Hon. Steven Del Duca: I'm in a position right now, as I said a second ago, to talk about the fact that we are looking at, and Metrolinx continues to look at, the fare, which we were talking about a second ago. I said, at the outset of my answer to this question, that I don't share the pessimism. I understand where you're coming from. We've talked about this; I'm sure we're going to talk about it more, and I look forward to those conversations. But I'm not a person who shares your pessimism on this one—

Ms. Cheri DiNovo: But you do an analogy. You talked about other cities with air-rail links, but I would like to know what other air-rail links run on diesel.

Hon. Steven Del Duca: Okay, so we'll take that back and we'll—

Ms. Cheri DiNovo: Could you? Because my understanding is that the only one is Bangladesh. But I'll leave that with you.

I want to move on to some other projects—the Sheppard line, for example. This project was supposed to be running by 2013. That was last year.

Hon. Steven Del Duca: This is the LRT?

Ms. Cheri DiNovo: Yes. But now, after successive delays, we understand that construction won't begin until at least 2017. I guess the simple question I have for you and others is: Is this a pipe dream too, or will this ever be built?

Hon. Steven Del Duca: Not that many weeks ago, I had the chance to be in Scarborough at a public town hall meeting that was organized by two of my caucus colleagues, the member from Scarborough-Agincourt and the member from Scarborough-Rouge River. There were a couple of hundred people, including Deputy Mayor Kelly from the city of Toronto and a wide variety of municipal candidates there—trustees, council candidates etc. I had a really great conversation with people in the room. There was lots of emotion, lots of passion in that room. There were some people who were very eager to see us break ground soon on the LRT and some who suggested the province should move in a different direction.

When I talked earlier about the work that is being undertaken by Metrolinx, working with the Ministry of Transportation around not only RER, but also around the entire transit network and where we go next with respect to our investments, I think that's a conversation that is taking place.

One of the things—and I'm pretty sure I referenced this this morning—that's been a little bit difficult for all of us to deal with over the course of, frankly, a generation in this region, is that a lot of the decisions are made in isolation from one another. This is a message I stressed that night in Scarborough. I also said it in Hamilton and I've said it elsewhere.

In order for all of this to work as fluidly as I believe it needs to so that at the end of at least this next 10-year phase, when we've made these investments and we've pumped these billions of dollars into the system and we're providing more service, it has to make sense in terms of how we stage it, it has to make sense in terms of connecting people with a variety of modes of transportation to give them those options so—

Ms. Cheri DiNovo: So we don't know whether it will ever be built.

Hon. Steven Del Duca: No, that's not at all what I was going to say.

Ms. Cheri DiNovo: So it might be built.

Hon. Steven Del Duca: What I said a second ago, and what I've said on the record many, many times, is that this is a project that continues to reside in the Big Move, in the next wave of the Big Move, and that Metrolinx is continuing to do its work, again with the Ministry of Transportation, to make sure that we have an implementation plan that makes sense, especially when you overlay it with the regional express rail.

Ms. Cheri DiNovo: So when will it be built, then?

The Chair (Ms. Cindy Forster): One minute, Ms. DiNovo, to wrap up.

Hon. Steven Del Duca: I'm not in a position—

Ms. Cheri DiNovo: And I didn't even get the chance to talk about Niagara, which isn't even mentioned anywhere—

Hon. Steven Del Duca: That's okay. There's more time.

Ms. Cheri DiNovo: —but we'll get into that perhaps in the next section.

Minister, just to sum up: What I'm hearing, and what anybody here watching would be hearing, is a lot of "conversation," a lot of "mandate," a lot of "next year," a lot of "it's another ministry's responsibility," a lot of "we're still looking at that," a lot of "we're still waiting for reports," and still we sit in Toronto waiting for the bus. That's all I'm going to say. We still, four years later—well, actually, I'm in my ninth year here—have seen new streetcars and a tunnel-boring machine on Eglinton; that's it. I'll leave it at that. Thank you.

Hon. Steven Del Duca: Thanks, Ms. DiNovo.

The Chair (Ms. Cindy Forster): Thank you, Ms. DiNovo.

Government members: Ms. McGarry.

Mrs. Kathryn McGarry: Thank you very much. Minister, you spoke in your opening statement about our ambitious \$29-billion plan to provide transit and much-needed transportation infrastructure across our province. It certainly affects myself in my riding of Cambridge as well as my family.

Interestingly, this morning in your opening statement you talked about your commute times. I used to commute from my great riding of Cambridge to Mount Sinai Hospital, just down the road here in the mid-to-late 1990s, actually. I left there in 2001. In those days, my commute time was an hour and 25 minutes in the morning, and my home time was an hour and 15 minutes at night. It has easily doubled, if not gone from two and a half to three hours now in the morning and two and a half hours at night. So it's easily doubled. So this really affects me directly.

I was also interested in looking at this as a 10-year project affecting our families and our children. I have this saying that "I have a son for all occasions." My children range over 24 years, so my oldest has actually lived and worked in Europe for the last eight years, and until very recently he did not own a car. Transit in European cities is certainly more developed—and we're aspiring to do that. He regularly takes the train to and from airports because he travels for his work, and he's very much looking forward to that Union-Pearson line for when he arrives in Toronto for his business trips, and then he's looking at taking a bus out here because now he's learned to drive on the wrong side of the road.

Interestingly, my youngest is 10 and my middle two are 17 and 20. So they really depend on coming to see me now by taking a bus line both from Cambridge and from other areas where they're visiting for their work. This really affects us directly, so I'm really pleased that we're moving forward. But it's not just my family.

Interestingly, when I was first elected, the Cambridge mayor was very excited to see that I was appointed as the

parliamentary assistant to the Minister of Transportation because—and I think our member across the way here from Kitchener-Conestoga would agree—transit in our area in the region of Waterloo has been a significant issue in the last few years, and we're very excited to see some of these projects under way right now, including the LRT in KW and the bus rapid transit line that's dedicated in Cambridge. So we're looking forward to seeing some of the rollout over the next few years.

It's been a discussion, from all the politicians and a lot of my constituents, about this next 10 years' worth of projects and how we're going to move forward in incorporating Cambridge and the region of Waterloo with transit projects across our province.

I'm just really curious if you've decided exactly how the \$29 billion will roll out, the \$15 billion that's dedicated for the GTHA as well as the \$14 billion that has been dedicated outside the GTHA. Do we have specifics laid out in terms of how this money will be spent?

Hon. Steven Del Duca: Thanks very much for that question. Your mayor wasn't the only person who was excited when he learned that you had been appointed to serve as the parliamentary assistant to myself, the Minister of Transportation. Of course, having known you for a number of years, I know exactly what kind of a staunch, strong advocate you are for your community—and someone who brings a wide range of experiences to your role, serving as the relatively new MPP for Cambridge and parliamentary assistant here at transportation. I know that, working together alongside all of our colleagues from the government caucus but all members of the Legislature, we'll be able to produce a plan and then implement a plan that gets us to where we need to be.

You're 100% right: When I had the chance to be in Waterloo over the summer for the groundbreaking on phase 1 of the Kitchener-Waterloo ION LRT, an exciting plan that has a couple of different aspects to it, the first portion being the LRT and then, as you mentioned, the BRT that will take folks out to Cambridge—very, very exciting.

That was one of the first public transit ground-breakings or announcements that I participated in as Minister of Transportation, and what I won't ever forget is, first of all, the sheer number of individuals who showed up from the community to be there to express such clear, unreserved joy and excitement about the fact that this very significant project—which I want to stress again, because I think it's important to make sure the record clearly reflects this, has support from all three levels of government. There was a very clear sense of excitement in that community, in your community or in the general area, the Kitchener-Waterloo-Cambridge area, for the fact that we were there, alongside our colleague from Kitchener Centre, to break ground on this very important project.

Not surprisingly, there were a number of individuals, some of whom I'd seen at AMO just a few days before, who took the opportunity to come to talk to me, as local officials often do—and I don't blame them for doing it;

I'd be doing the same thing if I was in their shoes—to have this exact conversation with me: “When is two-way, all-day GO going to be coming to our community? What will electrification look like? When will the investments roll out? Will we get increased this or increased that, another station, more parking?”

1730

I said this in my comments earlier this morning: When I talk to commuters in my own riding about what they're looking for with respect to that GO train service that they rely on on a daily basis, I understand exactly how attached people are and how thrilled people are with any incremental increase in service that they get, whether it means that they can get on an earlier or later train, get a seat versus not getting a seat, park their car so that they don't feel compelled to have to park off-site somewhere, or better linkage between their home and the GO station itself on some version of either local or other public transit.

There are literally and figuratively a lot of moving parts when it comes to these things. There is a significant amount of work that has already taken place within Metrolinx and within the Ministry of Transportation. The deputy, earlier, in response to a question from one of the opposition members on this committee, talked about the fact that at the September board meeting that Metrolinx had—these are board meetings, by the way, which are public—there was a great discussion around what some of the various service concepts might look like around GO RER.

The next board meeting for Metrolinx is coming up in the earlier part of December, so we're not that far away now. I have every expectation that the team at Metrolinx will be able to produce more details around how some of these pieces start to fit together in a cohesive way. I don't know that we're going to be able to say, necessarily, at the December board meeting or in advance of that or shorter after that, “This is exactly when you can expect to get exactly this service on every single line.” I want to make sure, and I know everyone at the Ministry of Transportation wants to make sure, that we have solutions going forward, we have a sense, we have a schedule, we have phasing that will ultimately make the most sense based on the evidence, based on the business case analysis and also based on some other circumstances and factors that we do have to take into account. For example, it's been discussed already in my appearance so far at estimates that Metrolinx owns 80% of the rail corridors on which our GO trains run. We don't own 100%. There are some factors that need to be taken into account relating to implementation with respect to who owns these corridors.

So these are the issues, these are the opportunities, and to some extent these are the challenges that still exist in that work. I would expect that towards the end of this year, we'll certainly see more detail, and likely into early next year, we'll definitely be in a position to be able to provide far greater clarification about how, for example, GO RER will look in terms of its implementation and its phasing.

I've had the opportunity to talk on this on a number of occasions. Because I'm someone who very, very clearly believes in the importance of implementation—I want to roll up the sleeves, I want to get shovels in the ground. I want to provide people in Cambridge and Kitchener-Waterloo and Vaughan and right across this region with more service—Richmond Hill, Oshawa, whatever the case is, Hamilton, Milton, the list goes on—because I know the demand is there. It's one of those things where I find myself sometimes looking in the mirror to say, “We want to get it done, but we need to get it done right,” so that when my seven-year-old and my three-year-old and your 10-year-old and others are looking back, when they're in their 30s, 40s and older, they'll say, “There was a moment in time in Ontario's evolution when a government finally managed to bring all of these pieces that very often had been floating around in isolation into a very consistent alignment and framework that delivered exceptional results.” That's the moment in time that I think we find ourselves in right now, so I want to make sure that we get it right over the next few months. It's my way of saying, we are working on it. We will come forward with a plan. I ask everyone to stay tuned and to work with us to make it a reality.

Mrs. Kathryn McGarry: Thank you.

The Acting Chair (Ms. Cheri DiNovo): Mr. Dong?

Mr. Han Dong: Thank you, Madam Chair.

Minister, I have the privilege of representing a very unique riding of this great province. My riding houses perhaps the country's biggest financial district, as well as one of the biggest creative industries, the entertainment district, the ACC, the Rogers Centre, two universities, the University Health Network, part of the Ontario government and also the Toronto municipal government. My point is that perhaps we employ thousands of people across the province, across the region.

You mentioned that you met quite a few commuters in your riding that are using the GO system, and I bet that quite a few of them are travelling into Trinity-Spadina to work. If anyone takes the time to go down to the financial district and to stand on the street during the day, they can feel how much traffic there is. I bet if they go back at 9 o'clock at night, they can tell the difference in traffic.

My point is, to move these people, these great Ontarians, between their home and their workplace, is a big job, and how to do it efficiently is a great challenge to you, and you have the privilege to execute some of this government's plan.

I noticed that you mentioned that in the recent past, we have put \$19.3 billion into transit, and as part of that, \$9.1 billion into GO Transit. The Premier has committed to more frequent, electrified, all-day, two-way service on all corridors of the GO railway network. This is something that I, again and again, communicated with my constituents three months ago during the campaign period, and many residents expressed their excitement and their support for this plan. I think it has a lot to do with the fact that we were given this privilege to serve Ontarians and now, as a government, it has a lot to do with our plan and our platform.

I've heard the opposition members asking questions about these plans that we have and the details, how we're going to finance this and all of that, and I can tell that they're kind of interested. I assume that they're supportive of these great plans that we have for the next 10 years. But I want to point to the fact that it's only been three months since we passed the budget, so a lot of these things—I'm quite optimistic and I share your optimism on our plan to create a great transit network for Ontario.

My particular interest is in the regional express rail, and I want to ask you to tell us a bit more about the regional express rail and if you can help to give us some examples of the things we've already begun to invest in, especially the GO regional express rail.

Hon. Steven Del Duca: Thanks very much. That's a great question, and I definitely understand where you're coming from, representing a community like Trinity-Spadina, which sits, literally and physically, at the centre of this entire region.

You're not wrong: I know for a fact that there are literally hundreds, if not thousands, of people who live in my own community who take GO trains down the Barrie line and end up at Union Station before they go to somewhere else across the Toronto area, but many of them do work in areas close to your own community.

There are a couple of things I'll highlight. In response to the first question I received from the member from Cambridge, I talked about how we are doing that work now between MTO and Metrolinx, around making sure we have a very clear sense, based on business case analysis, based on evidence-based decision-making, that we'll be in a world over the next few months where we can talk more about what the phasing will look like around regional express rail. But there are a number of other initiatives that have already taken place, some prior to me becoming the Minister of Transportation and some opportunities that I've had to participate in ground-breakings or announcements, or highlight some other achievements that will enhance GO service, generally speaking, which I'll come back to in just a quick second.

As we've talked about earlier, there are seven main corridors or seven main lines that run on the GO system, and one—the one that is the most heavily used, I suppose—is the Lakeshore line, Lakeshore West and Lakeshore East.

Just to point out to the committee, as of June 2013, GO trains began running every 30 minutes along the Lakeshore line seven days a week. This has added 263 new train trips every week to that particular line. Again, it is the busiest and most heavily used line that we have within the GO network. If you look at the comparison between peak and off-peak in the usage and how that's actually shifted a little bit in terms of being able to positively impact commuters' behaviour, I think that gives us a sense of exactly what we can accomplish over the next decade when we make those investments and we have that implementation plan so that the rest of our lines are in position to provide that regular, all-day service at up to 15-minute intervals. When you factor in the notion of

electrification, which has come up earlier today at committee, there are even more exciting opportunities around what can be accomplished.

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You'll know, of course, that I was in a position to stand alongside the chair of Metrolinx, Rob Prichard, and representatives from the private sector to, for example, announce that we were going to be building a new GO bus terminal at 45 Bay Street, and that we're going to take that opportunity to partner with the private sector so that they can add a significant amount of commercial space in your community, in your riding. That demonstrates that we have this unique ability and unique opportunity to leverage public sector investments in crucial infrastructure that will help expand the amount of bus service generally—GO bus and potentially other bus service coming into that new terminal—that will open it up, that will significantly increase its capacity to take in buses. That will also put us in a position where we are on the south side of the train tracks, essentially—the rail corridor—which means that our unique iconic double-decker GO buses will, for the first time, be able to access the downtown Toronto GO bus terminal. For those who don't know, while the GO bus terminal sat where it does today at 141 Bay Street, those double-decker buses couldn't come to the downtown bus terminal because of the height clearance on the rail corridor itself. By positioning the new GO bus terminal south of tracks, at 45 Bay Street, there's a whole new world that's opened up to us in terms of maximizing customer service and that customer experience for people who are going to use that terminal.

Private sector partners, in addition to building those two 40-plus story commercial towers at both 45 Bay and 141 Bay, will also be working to build a park bridge—I'm not sure exactly what the right terminology is for the bridge; I'm forgetting it right now. But I saw, the day of the announcement, what some of the conceptual look is for that really incredible piece of engineering and architecture. The two commercial towers sitting on either side of the rail corridor will be joined together by a bridge that will be running over top of the rail corridor. It will be linking individuals, not only between the GO bus terminal and the two commercial towers, but also linking individuals from the GO bus terminal to the PATH system. So to your point about being the MPP that represents this downtown Toronto riding where you find the financial district situated, it will make it that much easier for customers, patrons, whatever the case is, using that GO bus terminal to be able to access their jobs, should they work in the financial district or somewhere nearby.

The Chair (Ms. Cindy Forster): Excuse me, Minister, you have about one minute to wrap up.

Hon. Steven Del Duca: Thank you very much, Chair.

So that's just a very quick example of some of the significant investments or some of the significant opportunities that have taken place. There is a great deal of other work that will need to be accomplished or achieved over the next decade for us to deliver on RER, not just on the

Lakeshore lines but across the other lines as well, significant infrastructure work around grade separations—this list goes on—and dealing with, as the deputy said earlier, the catenaries. I always have trouble pronouncing that word, but that's essentially what it is to run the lines for electrification. A lot of the EA work—I mean, there's a significant amount of work that needs to take place, but we are on track, as the saying goes, to deliver this over the next decade, and look forward to continuing to partner with you so that all of Vaughan's residents who travel to Trinity–Spadina have the best experience possible.

The Chair (Ms. Cindy Forster): Thank you, Minister.

Hon. Steven Del Duca: Thank you.

The Chair (Ms. Cindy Forster): Official opposition: Mr. Harris, you have about 14 minutes.

Mr. Michael Harris: All right. Well, I'll make the most of the 14 that I have.

Minister, we're going to back to electrification, because I do believe it's important across all lines. I'm wondering if you can explain why Metrolinx made the recommendation that stated that the government should spend about \$1.8 billion over 20 years to electrify GO Transit's busiest corridors—Kitchener, Lakeshore and the UP Express line. That recommendation was made in the Metrolinx electrification study that was completed in December 2010. I guess I'd like some clarification for the committee on this recommendation, because it was actually given to then-Transportation Minister, and now Premier, Kathleen Wynne, who believes that we can now electrify the system in 10 years instead of 20—to electrify only the three lines. I really want to know: Why do you think now that we can electrify in just 10 years?

Hon. Steven Del Duca: I was going to ask you where that quote came from, because I didn't know it off the top of my head. It's interesting to note that it comes from a Metrolinx report that's now—you said 2010?

Mr. Michael Harris: Yes.

Hon. Steven Del Duca: —that's now four years old. I think there are a number of factors to take into account. One is, I think Metrolinx has a very clear sense—certainly from the conversations they've had with the Premier, with my predecessor at the Ministry of Transportation and certainly with myself—they have a very clear sense of exactly why we are coming at this particular proposal around RER. They understand the enormous upside in terms of delivering this two-way, all-day GO up to 15-minute intervals across all lines over the next decade—electrified across all lines. They understand that this has become—I mean, it was always part of the mix, but this has become a very clear priority for how we want to unlock the potential of the entire greater Toronto and Hamilton area.

You also have to take into account that this notion of having \$15 billion in dedicated funding available to invest in projects like RER, and the \$14 billion that fall outside the GTHA, wasn't part of the debate and the discussion that took place in 2010. So I think when you

take into account all of these factors, Metrolinx is now in a much stronger position to work closely with the Ministry of Transportation to deliver on this commitment.

Mr. Michael Harris: So what will the cost be to electrify within 10 years?

Hon. Steven Del Duca: It's impossible for me at this point in time to put an exact dollar figure on it, because—

Mr. Michael Harris: Why?

Hon. Steven Del Duca: Because Metrolinx hasn't completed the work that I talked about a second ago. All of the work around the business case analysis, the EAs themselves—

Mr. Michael Harris: They're doing a pre-feasibility study.

Hon. Steven Del Duca: —they haven't completed that work. And I want to make sure we're under no illusions about that. That's a considerable amount of work that a team of very hard-working experts are working on, both inside the ministry and at Metrolinx itself.

Mr. Michael Harris: So your government and your party have made a commitment to electrify within 10 years and yet you have no idea how much it's going to cost.

Hon. Steven Del Duca: What I know is that we have, combined, between the GTHA and the rest of the province, close to \$30 billion—\$29 billion—available to make these investments to deliver on these results. I have—

Mr. Michael Harris: How much have you dedicated of that \$29 billion to electrify?

Hon. Steven Del Duca: Well, that's, with the greatest of respect, asking me the same question over again. I'm not in a position—

Mr. Michael Harris: Because I haven't got an answer to the first one.

Hon. Steven Del Duca: That's because I'm not in a position to provide an answer. I'm not keeping it from you; I'm actually legitimately not in a position. Metrolinx hasn't completed its work on this. They will continue to do their technical analysis on this. We will be in a position, I'm hoping—and I said it this morning and I'll repeat it this afternoon, I'm an optimistic person—we'll be in a position relatively soon, over the next few months to put more of those details out into the public. But we're not there yet.

Mr. Michael Harris: Mr. McCuaig stipulated that Metrolinx does not know what actually will be the priorities for electrification to be completed in the 10-year horizon. What do you see those priorities as being?

Hon. Steven Del Duca: What's really important to me—and I say this as a person, and I said this earlier, who has a GO line running through his community, serving his constituents, like you do, like others in this Legislature do. These are decisions that need to be made by this government in partnership with Metrolinx, based on the evidence as to where it makes sense, based on sound business case analysis. We're really now at a point

where, yes, we have to implement, but we have to implement in a way that makes sense.

Mr. Michael Harris: So what analysis has been done? Can you table to the committee those business analyses that would provide, perhaps, more clarity?

Hon. Steven Del Duca: It's what I said earlier, Mr. Harris: It's still a work in progress that Metrolinx is focused on right now, partnering with MTO and the officials in my ministry to produce. I expect over the next few months, once we have landed in a place where it's clear that we know what the implementation will look like—and what kind of analysis has helped inform those decisions—we'll be able to release those details publicly.

Mr. Michael Harris: Have you set a clear timeline to Metrolinx that you expect electrification to be done within 10 years?

Hon. Steven Del Duca: You're asking me if I've—sorry, if I've set a clear—

Mr. Michael Harris: Have you instructed Metrolinx, or asked them, to fulfill a mandate that your Liberal Party had made to voters prior to the election to electrify the system within 10 years?

Mr. Michael Harris: Metrolinx is very, very well aware of what our commitment is to the people of Ontario and what's in my mandate letter, and they are working very hard with the Ministry of Transportation to deliver positively and successfully on that commitment.

Mr. Michael Harris: There's just a lot going back and forth, and it's perhaps a lofty goal to electrify at this rate. That really hinges on this 15-minute train service on all GO lines that was outlined in your infrastructure platform.

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We hope that it wasn't simply just another election promise that won't come to fruition. But does the inability to electrify the system reinforce the fact that you will not be able to commit to introducing 15-minute train service on all GO transit lines within 10 years?

Hon. Steven Del Duca: It was hard for me to hear the first part of your question. I apologize. If you could just repeat the first part again. Sorry.

Mr. Michael Harris: You've not been able to clarify or give me a clear answer on the fact that you'll be able to commit to 10 years on electrification on all lines. There was another election promise that you're going to introduce 15-minute train service on all GO lines within 10 years. Can you commit to doing that?

Hon. Steven Del Duca: The work that we are undertaking right now, which I thought I said a second ago, so I'm apologizing if I didn't say it clearly—the work that the Ministry of Transportation and Metrolinx are very focused on right now, which will include, at some point over the next—I'll call it short term—few months will result in us coming forward publicly with information around what the implementation will look like. We'll specifically tie it back to the commitment that we made, both in our election platform as a party and in our government's budget, which is that regional express rail, that transformation we've talked about: two-way, all-day

GO service at up to 15-minute intervals on the existing GO network. That's the commitment that's in my mandate letter. It's something that we are working on.

I might, just really quickly—in my answer back to the member from Trinity–Spadina, you can already see—

Mr. Michael Harris: You can answer him when it comes back around.

Hon. Steven Del Duca: No, but it's important because you're—I understand how important it is to make sure that we achieve our goals, and we are working hard on that. But we already see, for example, on the Lakeshore lines east and west, that we have trains currently running at 30-minute intervals, and that wasn't a decision or an implementation I was responsible for, but we have already seen that kind of tremendous, positive progress on our busiest line. To me, that stands as a very clear indicator of the fact that we have the capacity to get this right, and we will.

Mr. Michael Harris: I guess it's easy for the Liberal Party and the government to come out during an election and say, "We're going to electrify within 10 years, and we're also going to provide a 15-minute train service on all GO lines." Now to tell me, "We're not sure if we can actually make that"—to make that commitment or the promise, you'd think you'd have the information to back that up: the business plan, the timelines etc. Wouldn't that have been at your disposal then, and why isn't it available to the committee now?

Hon. Steven Del Duca: I think that's the second or third time that you've—

Mr. Michael Harris: All right, then I'll move on, because I think I've made my point.

Hon. Steven Del Duca: —perhaps, respectfully, tried to put words in my mouth, but I—

Mr. Michael Harris: I want to get to the electrification of Union Station. Does it actually have to occur first before individual rail corridors can actually start seeing faster service?

Hon. Steven Del Duca: There is a tremendous amount of work that will, over the next decade, have to take place, in terms of upgrading and modernizing—let's call it—Union Station. But again, as I said a second ago, the Lakeshore West and East line currently has trains running seven days a week, at 30-minute intervals—

Mr. Michael Harris: Right, but does Union Station have to be electrified first before any of this can happen? Is that where you're going to start with electrification?

Hon. Steven Del Duca: Again, I'm not in a position today, because the work hasn't been completed, to tell the committee that I know exactly what the phase-in will look like, but—

Mr. Michael Harris: Has the process started for electrification of Union Station?

Hon. Steven Del Duca: Has the process started for the—

Ms. Carol Layton: To map it out.

Hon. Steven Del Duca: As the deputy said a second ago, the mapping out of that is something that involves work that has been undertaken. Metrolinx is aware—

Mr. Michael Harris: How long will the electrification of Union Station take?

Hon. Steven Del Duca: Again, I'm not in a position to answer that question because Metrolinx hasn't completed that work. That is part and parcel of the discussion and part and parcel of the work they are doing right now, working with the Ministry of Transportation.

Mr. Michael Harris: Bruce McCuaig noted that the construction alone on the project could take three or four years.

Hon. Steven Del Duca: Sorry, is this Union Station?

Mr. Michael Harris: Yes, to electrify it. Then he stated that he was unclear how soon that might start. But you're saying it hasn't started.

Hon. Steven Del Duca: No, I'm sorry. Again, maybe I'm not being clear enough. I said that Metrolinx has already undertaken the work to begin the planning for this. The work itself? Are you asking me if there are actually workers on the site working on electrifying Union Station today?

Mr. Michael Harris: Sure, yes.

Hon. Steven Del Duca: I believe the answer is no, because this is part—

Mr. Michael Harris: When do you expect that to start?

Hon. Steven Del Duca: I expect that I'll be in a position over the next few months, as I come back to talk publicly about what the entire implementation plan will look like, to include that in that information. But again, when you're dealing with a 10-year horizon and you're dealing with a significant—we're talking about an enormous infrastructure project across the entire GO network and a significant transformation. I think everyone on this committee and elsewhere would agree that we want to get it right, we want to make sure that the evidence is there, and we want to make sure that the business case and the technical analysis are done by the experts so that we can jointly come back and say, "This is what the phasing will look like. Be it at Union Station or the seven corridors themselves, this is how it will roll out. This is the timing we anticipate. These are the challenges that are still there."

By the way, in many of these communities—I said this this morning—there will continue to be, as we build out this infrastructure and increase the service, disruptions.

Mr. Michael Harris: We're not doubting that fact, but I guess what I was asking was, because electrification, especially of Union Station—the construction phase alone could take up to four years. You're talking about 10 years across the system providing 15 minutes. You'd think you'd have a bit of a timeline as to when you'll actually start the construction. Do you have any idea when you'll actually start the construction? If you look back, if you take 10 minus four, you've got six.

Hon. Steven Del Duca: I understand, sure.

Mr. Michael Harris: My colleague from the NDP said there will be very little built within 10 years. We have to get moving on this.

Hon. Steven Del Duca: I'm not sure—

Mr. Michael Harris: If you don't know and Metrolinx doesn't know, then—

Hon. Steven Del Duca: I'm not sure when Mr. McCuaig might have made that comment. I don't know if you have a date for that. But I'm guessing that if it took place at any point in the last couple of months—although he's doing a phenomenal job running Metrolinx, I think that's at a point in time—I'm guessing because I don't have the date in front of me—that that would have obviously been prior to Metrolinx completing its technical work. I don't know the context in which he made that comment. I respect Mr. McCuaig's opinion a great deal, but until we get to a place where the work has been completed—the work that's being done in partnership by the experts at the Ministry of Transportation and Metrolinx—I think it would be unwise for me to speculate on exactly what the implementation timing will look like. But that's not to suggest that the work that lies ahead for all of us is not considerable or is not enormous. It's also not to suggest that there won't be challenges.

I don't want anyone to come back to me later and say, "Hey, Del Duca, you made it sound like it was going to be easy to get all this done." It won't be. It won't be at all.

Mr. Michael Harris: But you've told voters in a campaign commitment that you would do it in 10 years. So I'm asking you if you can provide the committee—perhaps within reports, studies or memos that the Liberal government used actually to defend the idea that they could electrify all GO Transit lines within 10 years. There had to have been some information that you were provided that would give you confidence in saying, "We can do this in 10 years."

The Chair (Ms. Cindy Forster): Mr. Harris, you have about two minutes to wrap up.

Hon. Steven Del Duca: What I can comment on, as the Minister of Transportation who was sworn in to this responsibility on June 24, is exactly where I found myself with respect to being on that day and every day since. In that regard what I can tell you is that the commitment that we made to the people of Ontario by way of introducing and passing the budget over the course of the summer was that we would, over the next decade, transform the GO service so that it is a regional express rail, which includes having trains running two ways all day at up to 15-minute intervals.

That's what I'm focused on. That's what the team at Metrolinx and MTO are also focused on. I have every expectation that, over the next few months, we'll be able to come back, whether it's in a setting like a committee room or in the Legislature or perhaps at some other public event—it could be a Metrolinx board meeting; I don't know at this point in time. When we have it right, when we have that evidence-based analysis and the technical analysis done to support the decision-making in a way that makes sense for the entire network, I'll be happy to share that information.

Mr. Michael Harris: We look forward to seeing that. I just think today we've talked about high-speed—

The Chair (Ms. Cindy Forster): Thirty seconds, Mr. Harris.

Mr. Michael Harris: —high-speed rail from Windsor to Toronto without perhaps a business case. Telling voters you're going to provide this within 10 years and now a 15-minute train service with electrification, again within 10 years, with very little information: It's just hard for us

to tell voters that it's going to happen when you don't even really know yourself. I'll leave it there. I'm sure we'll have more time tomorrow.

The Chair (Ms. Cindy Forster): Thank you. We are adjourned until tomorrow after routine proceedings. The official opposition has six minutes left in their rotation.

The committee adjourned at 1800.

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**Standing Committee on
Estimates**

Ministry of Transportation

**Comité permanent des
budgets des dépenses**

Ministère des Transports

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LEGISLATIVE ASSEMBLY OF ONTARIO

STANDING COMMITTEE ON
ESTIMATES

Wednesday 22 October 2014

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

COMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 22 octobre 2014

The committee met at 1606 in room 151.

MINISTRY OF TRANSPORTATION

The Chair (Ms. Cindy Forster): Good afternoon, members. We're here to resume consideration of the estimates of the Ministry of Transportation. There are a total of six hours and 48 minutes remaining. Before we resume consideration of the estimates of the Ministry of Transportation, if there are any inquiries from the previous meetings that the ministry or the minister have responses to, perhaps the information can be distributed by the Clerk at the beginning in order to assist the members with any further questions. Are there any items, Minister?

Ms. Carol Layton: Yes. Could I read them in, actually?

The Chair (Ms. Cindy Forster): Sure.

Ms. Carol Layton: Okay. Well, let's do it that way.

This was actually over to you, Mr. Hillier. You asked a couple of things. One was about fleet and the second one was about expropriation.

First of all, in your estimates briefing book, page 46 of 86 is where you would have seen the reference to the fleet. There's a one-pager, but what I want to say is that we have a multi-year plan to consolidate the vehicles—the cars, the trucks, the vans—into the Ministry of Transportation. We've been doing that since 2011-12. In 2013-14—it was a big year—many ministries' fleets actually came in, and that's why you see it fully realized in this current year, the first full year of it, because there was a lot of transition happening last year. So it's many ministries: children and youth services, community and social services, education, natural resources, agriculture and rural affairs, health and long-term care and community safety. It's almost consolidated. This year what is happening is some of the heavy commercial vehicles from community safety. There's a one-pager that we could actually provide as well.

Mr. Randy Hillier: Yes, but my question was if you could provide a list of the acquisitions. That was my question yesterday.

Ms. Carol Layton: Oh, I thought—so we have about a total fleet of about 5,500.

Mr. Randy Hillier: Yes.

Ms. Carol Layton: These are existing vehicles that we moved into it. Acquisition, as in what do we buy each year or something?

Mr. Randy Hillier: Yes. Well, what you have planned for this year, because you have \$18 million allocated—

Ms. Carol Layton: Yes.

The Chair (Ms. Cindy Forster): Mr. Hillier, we're actually now eating into your time.

Mr. Randy Hillier: Oh—

The Chair (Ms. Cindy Forster): So do you want to continue?

Mr. Randy Hillier: I thought we hadn't even started today. I thought this was—

Ms. Carol Layton: I've taken your question back and we'll work on that. I have to admit, we have to get the Hansard to really make sure we respect it.

Mr. Randy Hillier: Okay. Well, maybe I'll finish off, then, or you—

Ms. Carol Layton: The other one was about property acquisition?

Mr. Randy Hillier: Yes.

Ms. Carol Layton: I just want to make sure that you know that on page 70 of 86 is where you see in the printed estimates where property acquisition falls in. It falls into a much larger category, and the category is under capital assets, if you see that, and the first line, called transportation infrastructure assets. It's about a \$2.5-billion line. You won't see it spelled out there, but it's not a separate vote and item. The actual value of that—this year we expect to spend about \$200 million.

You asked more specifically about expropriation. I guess the point I'd make first is that, of course, we always look at our property purchases on a willing buyer/willing seller basis. We pursue that with many, many visits to try to resolve it all in an amicable way.

In terms of last year, though—which was, I guess, it's fairly safe to say, a typical year—we recorded property purchases of about \$42 million, of which only \$2 million was associated with expropriation. So about 5% of the amount last year. This year's a bigger year for proper acquisitions, but the 5% figure could be relevant this year. We'll know as the year progresses. We're only halfway through the fiscal year.

Mr. Randy Hillier: Okay. Maybe I can phrase this up then.

The Chair (Ms. Cindy Forster): Mr. Hillier, we're going to actually move to your time slot, okay? And then you can continue to ask questions.

Mr. Randy Hillier: Oh, okay.

The Chair (Ms. Cindy Forster): When we adjourned yesterday, you had six minutes left. You can now start that rotation. If you want to ask the questions, feel free.

Mr. Randy Hillier: Thank you, Chair.

The Chair (Ms. Cindy Forster): Okay.

Mr. Randy Hillier: So going back on the expropriations for a moment, then, there is, I understand, and I agree fully, that a willing buyer/willing seller is the way we want to see things end up. However, there's a number of properties that are needed for highway expansion, road expansion, whatever, and would be subject to expropriation for the needs of the ministry. When you enter into willing seller/willing buyer, then we don't need to use the Expropriations Act to do so.

Really, what my question is, have you got budgeted for the purchase of potential expropriations—

Ms. Carol Layton: We don't go into the fiscal year assuming that we're going to be expropriating. We go into the year assuming that we're going to be able to reach good—on a market-value basis—deals with the landowners and be able to buy their land, again on that willing buyer/willing seller basis. We have a team of folks, depending on the region, who visit businesses and landowners many, many times to try to pursue that.

So, again, in that \$2.5-billion figure, which is the transportation infrastructure assets, the estimate that we have for property acquisition would be about \$200 million. That's the amount that we are assuming we will spend this year on property acquisition.

Mr. Randy Hillier: Right.

Ms. Carol Layton: The amount for expropriation would be something which would be a very small per cent of that, if all goes well—and we work really hard to make sure that all does go well. That would be a figure that we would not—we don't budget on that basis. We budget on the basis of willing buyer/willing seller and amiable purchases.

Mr. Randy Hillier: So let's just take a look at that line item again, \$2.5 billion, and \$200 million being used for land acquisition for projects.

Ms. Carol Layton: Yes.

Mr. Randy Hillier: Give me a little snapshot picture of what the other \$2.3 billion—what other assets are you acquiring—

Ms. Carol Layton: Yes. What that actually is—as you can appreciate here, our capital assets are for many things. It's for the planning, engineering, design, construction of our highway system, and so that is, in a sense, all of the expenditures, all of the investments, I guess it's fair to say, that we're making in the highway system. That's why it's classified as a capital asset as opposed to a capital expense. It's how we're increasing the value of the asset holdings for the province, in a sense.

That would include work as we continue on Highway 407, all of the work that I've talked about: the actual construction, construction administration, engineering, design work for all of the highway rehabilitation projects that we would have around the province, and any additional expansions of highways as well as the HOV net-

work. Of course, it does include what I indicated was the property acquisition.

The Ministry of Northern Development and Mines—that money flows through their budget. We do that work for them, but in there would be northern highways—\$571 million is what we're spending in the Ministry of Northern Development and Mines, but it's actually work through the Ministry of Transportation as well.

So service centres, ferries, remote aviation equipment as we buy and invest in all of those assets as well—that also is under that \$2.5 billion.

The Chair (Ms. Cindy Forster): Mr. Hillier, you have one minute.

Mr. Randy Hillier: Just to go back quickly on northern development and mines: There's money transferred out of that. What—

Ms. Carol Layton: The actual northern highway expansion rehab program this year will be \$571 million. That actually flows—

Mr. Randy Hillier: But that's not for the Ring of Fire.

Ms. Carol Layton: No, no, it's not for the Ring of Fire.

Mr. Randy Hillier: That's for upgrading or improving existing—

Ms. Carol Layton: Yes, and it flows through MTO to MNDM, so I guess the point there being that the regional staff that we have around the province, for example, in Sudbury, North Bay, Thunder Bay, they're MTO staff, but they're doing work, in a sense, as a service to the Ministry of Northern Development and Mines.

The Chair (Ms. Cindy Forster): Thank you.

We'll move to the third party: Ms. DiNovo, 20 minutes.

Ms. Cheri DiNovo: Thank you, Chair. I first of all want to apologize that I failed in my job of getting you dedicated funding in today's question period. I did my best with the Minister of Finance and the Premier—to no avail. They did not promise. I didn't hear dedicated funding that would go into the Trillium fund from gas taxes and asset sales and others. Right?

But you didn't get to weigh in on that, so I'll ask you now, Minister, if you want to just weigh in on that perhaps once more. Do you have any hope that the funds necessary are going to go into the Trillium fund from the various revenue sources?

Hon. Steven Del Duca: Thanks very much for that question. I guess the first thing I'd say is that I'm disappointed I didn't have the opportunity to answer your question in the House today, but of course, we on the government side certainly believe in sharing the opportunity to talk about the great news that we have around our transit and transportation plan.

I haven't had a chance just yet to see Hansard from today, but I thought that I heard pretty clearly the Minister of Finance talk in a very positive, optimistic, definitive way about the fact that monies will be flowing into the trust that will be able to provide us with the foundation or the basis to make the investments that we have committed to the people of Ontario, which were found in

the budget that he introduced and that our government, the Legislature, passed a little bit earlier this year. So I felt that I heard a definitive answer from the Minister of Finance, but as I said a second ago, I have yet to see Hansard today.

But I think the responses we gave to the questions yesterday, in particular the notion around how successful the initial green bonds issue has been, the excitement around how much revenue can be generated from that program potentially, I think is something that we should continue to highlight, because it does bode well for the government's plan, and it will be one of many tools that will provide us with the opportunity to make the billions of dollars' worth of investments that we will over the next 10 years.

Ms. Cheri DiNovo: We certainly all live in hope of that, that's for sure.

Again, I don't know where that was left, but I was hoping, even though you said this was a Minister of Finance matter, that I would get—and I don't have to get that in this committee but maybe afterwards, as soon as possible—just a breakdown of what you do expect from gas tax, what you do expect from asset sales etc., some ballpark figure. That would be really, really helpful in terms of looking at the prediction of the rollout of projects.

Moving on, also on money, this is on page 244 of the budget. We learn that transportation—

Hon. Steven Del Duca: Sorry, which page?

Ms. Cheri DiNovo: Page 244. We learn that transportation is grouped with the ministries that face cuts averaging 6% per year each year for the next three years. Now, that's for a whole group that includes transportation among them. What I would like to know is if you could tell me the exact amount of budget cuts that the Minister of Finance has said that you will face over the next three years. It might even be increases; I don't know. What have they told you?

Ms. Carol Layton: So if I could do that—and actually, I might invite Linda McAusland to come up as well. I'm flipping to that handy-dandy page 244 of the budget as well.

First of all, the Ministry of Transportation: Because we have, of course, a lot of huge investments in the capital through highways and other capital assets as well, a fair amount of our budget is actually amortization and is actually a statutory payment. So, likewise, we have other contractual obligations. For example, the area maintenance contractors that we have, the 20 different area maintenance contracts around the province is a contractual obligation. When we enter into—

Ms. Cheri DiNovo: So you're hoping there will be no cuts? Is that what you're saying?

Ms. Carol Layton: Well, I'm explaining all this. This is actually, hopefully, my acceptable explanation to you. All I'm saying is that between—okay, amortization, statutory payment, lots of contractual obligations. Gas tax is a great example. The two cents per litre flows right through us right into municipalities, in their coffers, and

that's about a \$320-million or so expenditure, contractual; likewise, area maintenance contracts, a contractual obligation. Transfer payments to things like the Waterloo LRT, Ottawa—definitely that as well. Of course, the arrangement for Scarborough, once we get to that stage, would be, again, a fixed obligation, so it's contractual.

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The actual discretionary part of expenditures for the ministry—we are flat or declining, and that's what I'm going to get Linda to jump in on—is actually a fairly small part of our budget, and that relates certainly to the cost of staff and salaries and wages and services.

Ms. Cheri DiNovo: So how much would that be?

Ms. Carol Layton: I'll get Linda to jump in and help out on that.

Ms. Linda McAusland: The reduction to our core program is at about 4%, but it is a very small part. As the deputy mentioned, over the next three years we don't expect our budget to decrease; it will actually increase to cover our growing amortization on transit, our growing amortization on highways, and our growing investment on the appropriation front. We're not seeing an overall net reduction, we're actually seeing growth in our ministry. But our core programs, our ministry administration, our policy—all the core is going down by 4%.

Ms. Carol Layton: So where we have that discretion is what we want to say. We're working hard on ourselves—you know, no stone left unturned. We're certainly looking for those opportunities to, in a sense, reduce the size of our discretionary spending. That's what MTO is doing.

Ms. Cheri DiNovo: My wonderful researcher just passed me a note that says, "If the cuts aren't coming from your ministry, then they're going to be coming from some other ministry." So if it's 6% across the board—again, going back to page 244. I imagine they're listening; they may be listening with some trepidation. At the end of the day, can you set year-by-year expenditure programs? Do you have that?

Ms. Carol Layton: Obviously, the fiscal plan is shown on a three-year basis, but we certainly do our budgeting; we look, obviously, beyond year one and we look at our total programs in that regard as well. So we try to forecast, as best we can, where we're going in different program areas.

Ms. Cheri DiNovo: A change of pace a little bit: I want to talk about the all-year daily GO rail in Niagara region. During the recent election campaign, we had the Premier describing increased GO rail service to Niagara as a "very, very high priority." At the time, Jim Bradley, St. Catharines MPP, said, "I see it coming ... in 2015"—that's a direct quote. If that's true, why does the word "Niagara" not appear anywhere in Metrolinx's latest five-year strategy?

Hon. Steven Del Duca: I'm happy to take this question. I had the opportunity over the course of the summer—I know in my comments yesterday I talked on more than one occasion about the experience I had as, at that point, a very, very new Minister of Transportation at

AMO. All the delegations were great, but one of the best delegations that I had was the large group that came in alongside the Niagara regional chair—I think it's Gary Burroughs; forgive me if I'm getting the first name wrong.

Interjection: That's right.

Hon. Steven Del Duca: It is? Okay, so it's Gary Burroughs. He came in with the mayors representing every lower-tier municipality in his region and a variety of the staff. They came in and they talked to us a lot about the considerable work that they've done, working closely with Metrolinx, and the discussions they've had with the Ministry of Transportation to let us know why they feel very excited—first of all, why they're very happy with the GO bus service that exists, that currently provides—

Ms. Cheri DiNovo: So why is it nowhere in Metrolinx's five-year strategy, Minister?

Hon. Steven Del Duca: If I can just finish off the discussion, because I think it's an important thing to note, I know as well that we've introduced summer holiday service to the community, and I know that there will continue to be ongoing discussions around how best—and I said this many times yesterday when you asked questions about a variety of other individual projects. I know that the business case analysis, the research, the technical analysis that the Ministry of Transportation and Metrolinx is doing—on a line-by-line basis, but then as it relates to that entire cohesive, seamless network for transit investments—is work that is ongoing. We will see a point in time—I think I said this yesterday more than once—over the next number of months, certainly, I hope, in the short term, because I understand there are a lot of communities out there that have a very strong interest in hearing exactly how we're going to roll out—

Ms. Cheri DiNovo: They've even put money into it, with the regional transit system counting on your coming through on this promise.

Hon. Steven Del Duca: Sure, and I think the team in Niagara has done some outstanding work. I think, for example, the staff at the city of Hamilton—that's another example—have also done considerable work—

Ms. Cheri DiNovo: We'll get to them too.

Hon. Steven Del Duca: —around their Rapid Ready project.

What I said to both representatives from Niagara and what I've said in a separate meeting—we may get to it today—when I had the chance to meet with Mayor Bratina and a selection of councillors and staff from Hamilton was that we are working on that seamless network. When we roll out our plan over the next few months, people in communities like Niagara and in communities like Hamilton and right across the greater Toronto and Hamilton area will have a very clear sense about what we plan to do, how we plan to phase it—

Ms. Cheri DiNovo: And when you plan to do it?

Hon. Steven Del Duca: My hope is that we will have a very strong sense, yes, publicly, like I said yesterday, of when we plan to do it.

Ms. Cheri DiNovo: Because those were some pretty specific—I mean, “I see it coming ... in 2015” is a pretty specific promise.

Bottom line: You are going to do this. It's going to happen for sure.

Interruption.

Hon. Steven Del Duca: Sorry, I couldn't hear you over the coughing.

Ms. Cheri DiNovo: Bottom line: It's going to happen for sure.

Hon. Steven Del Duca: What's going to happen for sure?

Ms. Cheri DiNovo: Our daily GO rail to Niagara.

Hon. Steven Del Duca: I said this yesterday more than once: I'm not appearing at committee to make announcements that are going to prejudge the outcome of the technical work and the business case analysis that MTO and Metrolinx are going to do. It wouldn't matter whether we're talking about Niagara or any of the other wide variety of lines or projects that you and members from the official opposition asked me about yesterday. I'm not here to announce specific timelines or to make confirmations, because that would be me getting ahead of the work that MTO and Metrolinx are currently doing. It really does, from my perspective, have to be evidence-based and based on business.

Ms. Cheri DiNovo: So you can't even say that this is a for-sure project that will happen, even if you don't know the date that it will happen?

Hon. Steven Del Duca: You're correct.

Ms. Cheri DiNovo: Okay—which is extremely disappointing, I have to say, for the people of Niagara region.

Hon. Steven Del Duca: Well, but I just—I think it's important to read into the record, because yesterday I found—

Ms. Cheri DiNovo: Certainly it is, and this will go out to the people in Niagara region.

Hon. Steven Del Duca: Chair, if I could just say, I found yesterday that, despite my best effort to keep the tone in that conversational, friendly way, unfortunately, as I know occurs from time to time at standing committees, notwithstanding how many times I took the opportunity to provide a straightforward answer, members of both opposition caucuses tried to read into the record something that wasn't exactly what I said.

What Ms. DiNovo asked was: “Can you confirm it will happen?” When I answered that the work was still under way, that MTO and Metrolinx are doing that evidence-based research, the technical analysis—and by the way, the region of Niagara knows this is taking place. They heard this; they've heard it in the past; they've heard it from Metrolinx. When I say, “It cannot be confirmed,” you're automatically making the assumption that it won't occur, and that's certainly not something that I said into the record.

I would sincerely appreciate it—because I'm doing my level best to give you straightforward answers—that you wouldn't attempt to, inadvertently perhaps, distort

what I'm saying for the audience that may be watching from another community.

Ms. Cheri DiNovo: We're not all lawyers in this room or in the community—

Hon. Steven Del Duca: I thought what I said was pretty straightforward.

Ms. Cheri DiNovo: —so talking about rhetoric and talking about wordplay here, all I simply asked was, “Are you committed to have this happen? Is this a commitment that you're willing to make to have this happen at some point, some time?” It would seem to me that to say yes or no to that is not a huge commitment.

Hon. Steven Del Duca: We all know—you know this because I know how closely you watch the transit discussion. Yesterday we talked a lot about how you feel about what's happened or not happened in downtown Toronto; today we're talking about Niagara. I think my answer today is remarkably consistent with what I said yesterday, whether I was talking about what's going to take place in Kitchener or around high-speed rail, from the discussion we had yesterday, or around the Union Pearson Express and the electrification.

I've tried to explain; I'll say it again. I suspect I'll probably have to say it a few more times over the balance of my appearance here at estimates: This work is ongoing. MTO and Metrolinx are doing the work. Whether it's in my mandate letter or in the discussions I've had with communities, everybody wants these decisions to be evidence-based. They want us to arrive in a place where the results are not only positive for their communities but integrated, that we have that seamless transit and transportation network. That's what we're working on. So I'm not trying to be cute here.

Mr. Grant Crack: You're cute.

Hon. Steven Del Duca: I'm looking at Grant Crack; no one has ever accused me of being cute here. I'm not. I'm legitimately trying to give you a straightforward answer. The work is ongoing, and I suspect that over the next three, four, maybe five months we'll have answers to a lot of these questions in terms of how we're rolling them out.

Ms. Cheri DiNovo: They're just very, very, very different answers than we heard from some of your top ministers during the campaign. Anyway, we'll go on. Actually, your last Minister of Transportation—very different answers again. It doesn't inspire a lot of confidence, I'm sorry.

Let's talk about the Kitchener-Brampton GO. Last year, Metrolinx staffers told Brampton officials that all-day, two-way GO rail service was at least 15 years away.

Hon. Steven Del Duca: Sorry, when was that?

Ms. Cheri DiNovo: This was last year—Metrolinx staffers.

Hon. Steven Del Duca: Do you know when last year?

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Ms. Cheri DiNovo: I'm not sure; I don't have the exact month. But last year, Metrolinx staffers told Brampton officials that all-day, two-way GO was at least 15 years away for them. Brampton officials said that this

is because CN owns the tracks between Georgetown and Bramalea. We get that this is a vital corridor for CN. It's evidently not willing to share the tracks any more than it does now.

This, again, comes back to a credibility gap, because during the election campaign, the then Minister of Transportation, Glen Murray, said that he could deliver all-day, two-way GO rail all the way out to Kitchener within five years.

The question, to me and to those who want to know if they're going to get this service or not, is: Are Metrolinx staffers correct or is the Minister of Transportation correct?

Hon. Steven Del Duca: I think it's important for everyone, for the balance of the time that I'm going to spend in estimates, to realize that it's really, really difficult for me—because this isn't the first question that's been posed to me since I started appearing at committee where it's been suggested that there were meetings, there were discussions, somebody from this place said that or a former politician or a former minister said this. I'm really not in a position to make a comment about meetings.

I know you said last year. I don't know where the meeting was. I don't know which Metrolinx official said it. I don't know to whom they said it. I don't know the date, the time, the location for the meeting. So it's hard for me to comment on what Metrolinx may or may not have said, some nameless, faceless official or staff person from Metrolinx.

Having said all of that, what we emphasized in our budget, what I have talked about repeatedly since June 24, what I talked about extensively yesterday—particularly because to one of the other members of this committee, I know the Kitchener-Waterloo line is near and dear to his heart, as it is to my parliamentary assistant and to our colleagues from that region. Kitchener-Waterloo and that line is part of the existing GO network. That is what we will be implementing over the next decade, 10 years, as part of our plan: two-way, all-day regional express rail at up to 15-minute intervals, electrified. That is what we are working towards. It hasn't changed since yesterday.

Ms. Cheri DiNovo: Okay. So it will happen, but we're not sure whether it will happen within five years or whether it will happen within 15 years?

Hon. Steven Del Duca: No. The goal is—I'll say it one more time—to fully roll out and implement the entire two-way, all-day regional express rail plan that we've committed to over the next 10 years.

Ms. Cheri DiNovo: Over the next 10 years?

Hon. Steven Del Duca: Ten years.

Ms. Cheri DiNovo: Okay.

The Chair (Ms. Cindy Forster): Ms. DiNovo, you have about two and a half minutes.

Ms. Cheri DiNovo: Okay. At least that's better than we heard for the poor Niagara people.

Hon. Steven Del Duca: I should also mention—and again, members of the committee would probably be aware of this—we have already committed to, and we are

in a position to deliver or to have two additional morning trains and two additional afternoon trains running to Kitchener-Waterloo starting in 2016. That's something that I meant to reference a second ago. It's a commitment that I know is—there's a lot of excitement about that particular commitment, which we will deliver by 2016.

Ms. Cheri DiNovo: Okay. That's good. We'll move on to the Hamilton LRT.

Hon. Steven Del Duca: Sure.

Ms. Cheri DiNovo: Again, a Liberal press release from the 2007 election campaign warned Hamiltonians to vote Liberal—this is right out of your campaign literature—because the Conservatives would put rapid transit projects through Move Ontario 2020, including two light rail lines across Hamilton, at risk. So, three elections later, Hamiltonians are still guessing whether the government intends to keep its repeated promises to fund Hamilton's light rail project.

Again, is that going to happen? Are you going to fund it?

Hon. Steven Del Duca: So at the opening of your question, you said that this was a 2007 election commitment?

Ms. Cheri DiNovo: Yes.

Hon. Steven Del Duca: In 2007, for what it's worth, I wasn't serving as a member of provincial Parliament. I certainly wasn't Minister of Transportation. I think in that particular year, I may have even had bangs at that point. So I'm not really in a position at all to make a comment with respect to what may have been and was committed to seven years ago.

What I know is that I had the opportunity, fairly soon after becoming Minister of Transportation, at the invitation of Mayor Bob Bratina in conjunction with Ted McMeekin, our minister who represents that region or that community, to go to Hamilton and sit with the mayor and some of his senior staff, a selection of city councillors on one of the committees and two of the mayoralty candidates, including one of my predecessors, a former Minister of Transportation.

Ms. Cheri DiNovo: Okay, but the bottom line is, this is your government—

Hon. Steven Del Duca: So it was my first opportunity to hear from them—

Ms. Cheri DiNovo: This is your party. This is their commitment. This is Move Ontario 2020 commitments—

Hon. Steven Del Duca: It is.

Ms. Cheri DiNovo: —that your party and your government made to Hamiltonians.

Hon. Steven Del Duca: To fund rapid transit in Hamilton. So what I wanted to make sure I understood—because they produced a phenomenal report. We're almost out of time, but we can come back to this because it is important to me too. Hamilton produced a phenomenal report, Rapid Ready, I think it was in 2012, I want to say. It might have been 2013—2012 or 2013. One of the things that wasn't completely contemplated by them at that time was this notion of two-way, all-day regional express rail, because it hadn't become the priority. In

2012, if I'm right about the year, it didn't have the same level of priority, or it wasn't quite as featured, I guess I would say, in our regional transportation and transit plan at that point in time.

So one of the questions I had for them as a new Minister of Transportation was, "Talk to me a little bit about how you view the findings that came from"—

The Chair (Ms. Cindy Forster): Sorry—

Hon. Steven Del Duca: The Chair is interrupting me, but if I could—

The Chair (Ms. Cindy Forster): Sorry, Minister. You're out of time.

Ms. Cheri DiNovo: Still waiting for the answer to the question: Will you fund it?

Hon. Steven Del Duca: Great.

Ms. Cheri DiNovo: But I will be back.

Hon. Steven Del Duca: I will be here.

The Chair (Ms. Cindy Forster): We'll move to the government members. Mr. Crack: 20 minutes.

Mr. Grant Crack: Thank you very much, Madam Chair. Would you like to finish the answer to that previous question, Minister?

Hon. Steven Del Duca: I would prefer for Ms. DiNovo to be here to hear the rest of my answer.

Mr. Grant Crack: Okay. Very good. Well, thank you very much, Minister, and you do look great without bangs. I just wanted to make that comment.

Hon. Steven Del Duca: It helps with my wind sprints in the morning, so it's all good.

Mr. Grant Crack: Excellent.

I'd like to congratulate you on your appointment as Minister of Transportation. I can tell you that our caucus—and, I'm sure, all of the people of Ontario—have full confidence in you as you continue to fulfill your role, duties and responsibilities—

Hon. Steven Del Duca: I'm not putting a subway in your riding, Grant.

Mr. Grant Crack: I was just going to actually mention that I can't expect a two-way, all-day GO train to Hawkesbury any time soon during this plan, I would imagine, right?

Hon. Steven Del Duca: I think that question is out of order.

Mr. Grant Crack: Well, I want to first of all—also, you'd mentioned the AMO conference. We also have the ROMA conference, which is very important to our municipal leaders, and I want to thank you for taking those delegations in August. It's very important.

As a former municipal mayor, it's important for us to be able to meet the Minister of Transportation and, of course, the Minister of Infrastructure as well. We were mandated by the province to put forward some asset management plans where we prioritize our assets and our priorities in our own local municipalities, and that's our opportunity to present those to you as we look for funding and partnership—from both levels of government, but in particular the provincial government.

Sometimes, as a former mayor, we kind of judge ourselves and the success of being a mayor as the amount of

money that you can receive in partnership from the provincial government. I can tell you that, during the last five years of my term, for a small municipality of 10,500, close to \$10 million is substantial. It means a lot to rural Ontario that we're able to maintain reasonable tax rates, because we have to remain competitive, as well, to attract business and industry.

I can give you an example of East Hawkesbury, a municipality of about 3,300 people. It's the easternmost municipality in Glengarry–Prescott–Russell, and in the province of Ontario. The mayor, Robert Kirby, was quite enthusiastic about the close to \$750,000 that they received through the province, in partnership, to upgrade one of their major roads in the municipality.

So, I'm very, very pleased as a rural member to be able to go out—first of all, during the campaign, but to continue over this term in promoting the \$29 billion that was tabled in the budget. The \$1.4 billion per year that will be coming to areas other than the GTHA is great news.

We all recognize that there's an infrastructure deficit, not only in the GTHA, but there are infrastructure deficits across the province of Ontario, especially in rural Ontario, in communities like mine. I get to travel from four and a half to anywhere up to six hours, going one way, from the riding to Queen's Park, and there's a lot of construction going on, whether it's bridge construction or resurfacing and reconstruction of the 401. I commend you on that, as well. It certainly makes the roads safer. That's a priority for me, as well.

I know that there are some initiatives, as well, to improve snow removal. You might want to touch on that as I get to my actual question, but I first of all want to put on record how important these funds are to rural Ontario as well. We've spent a lot of time talking about transit, subways and GO trains.

So I'm going to ask you, Minister, recognizing the infrastructure deficit across the province, what your opinion is on how this is going to address some of our needs. Out of that funding, I understand that there's going to be some coming out of the Ministry of Transportation, but also out of Minister Duguid's portfolio of infrastructure, as we meet with him on a regular basis. Maybe you can just talk to us about how this \$1.4 billion per year will affect rural Ontario.

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Hon. Steven Del Duca: Sure. Thanks very much for that question and for the very nice things that you have said with respect to offering me congratulations on taking over this responsibility. I would say back to you that it has been a great honour for me to work alongside you and other members of our caucus since I first arrived here at Queen's Park in 2012, and I know that you have taken, on behalf of your community, a very keen interest in a number of issues that are relevant to the Ministry of Transportation.

I think, of course, of your work in your private member's bill dealing with changing some of the circumstances around off-road vehicles and how important that

is to people in your community. I certainly remember speaking with you about that as you introduced that bill, and I know that I've heard you speak in the Legislature on many occasions, talking about the roads, the bridges and some of the other very crucial infrastructure that exists and needs to be properly maintained in your community of Glengarry–Prescott–Russell but also looking at the rest of eastern and southwestern and all of rural Ontario, making sure that, of course, people like myself who represent suburban GTA ridings are consistently reminded of the fact that this is, as Premier Wynne has said on a number of occasions, one Ontario.

I did say this yesterday afternoon. I'm not sure if you were here in the committee room when I mentioned it, but when you do look at the fact that we have developed a plan, a very ambitious plan over the next 10 years, to generate and invest \$29 billion in transit and transportation infrastructure, and some other crucial infrastructure, that that split, that division between the greater Toronto and Hamilton area and the rest of the province, is very nearly 50-50. It is based on population statistics. But that demonstrates very clearly that there is no one, let's call it, half of the province—I think you understand what I mean when I say “half”—that's benefiting to the detriment of the other half. That's very important when you think about Premier Wynne's and our government's philosophy as it relates to building the province up and moving the province forward.

You would know, of course, because from my memory, you were in attendance at the AMO conference over the course of the summer, that it was during that conference that the Premier and minister—I think it was actually Minister Leal who attended the announcement with the Premier—announced a brand new Ontario Community Infrastructure Fund, taking that \$100 million over the next decade to be invested in helping to support crucial infrastructure revitalization in a number of small and rural communities across the province. The reception or the recognition that the Premier, I think quite deservedly, received from communities that—I can remember being in a multi-ministry delegation, and I'm not sure if it was the Eastern Ontario Wardens' Caucus or it was one of the others, when the news started to disseminate across the conference that this announcement had been made, and there was a great deal of satisfaction and a great deal of happiness on the part of those representatives at the AMO conference from communities like the communities that you represent in Glengarry–Prescott–Russell, because it was a very clear, visible sign from our Premier, from our government, that we had heard loud and clear in all of our consultations with the communities that we needed to look at restructuring and redesigning how we deploy that \$100 million, and I think that will go a long way to helping to support municipalities across your communities, across your riding and a number of the others that are represented obviously here in the Legislature.

I also did talk a fair bit yesterday, I think, about the fact that in 2014-15, the Ministry of Transportation will

be investing \$2.5 billion in roads, bridges and highways across the province. You mentioned that as you have the opportunity to drive along Highway 401 that you see work that's ongoing. Not that many days ago, I was in the community of Northumberland-Quinte West with our good friend Mr. Rinaldi where we made an announcement about some of the changes and the enhancements we've made to the winter maintenance program, and I also had that opportunity driving along the 401 to see very clear, tangible evidence of the work that is taking place around rehabilitating, upgrading and rebuilding a number of highway crossings.

You also referenced winter maintenance, so let me just circle back for a quick second and talk about that. I think we all experienced last year, regardless of where you live in the province, from a weather conditions standpoint, it was obviously a pretty horrible winter. It started early. We had ice storms, we had lots of snow, we had polar vortices, we had all of that stuff. It started early and seemed to last quite some time, and that obviously had an impact, whether you're in northern Ontario or you're in southern Ontario, with respect to the roads. There was, I would say, some dissatisfaction, generally speaking, in a variety of communities about the winter maintenance program.

I know that the staff at the Ministry of Transportation has worked very, very hard since last winter with our area maintenance contractors across the province to get to a place where the partnership is strong, where there's a very clear understanding of what the contractual obligations are, and also to have been able to deploy some additional resources.

Last year, I think deployed by February, if I'm not mistaken, there were 50 or 55—

Ms. Carol Layton: Fifty-five.

Hon. Steven Del Duca:—55 pieces of equipment that were deployed in northern Ontario. What I announced last week in Northumberland-Quinte West was that for southern Ontario for the upcoming year there would be 55—I always get the numbers confused. This year was 50.

Ms. Carol Layton: Fifty-five last year, 50 this year.

Hon. Steven Del Duca: So for the upcoming winter season, there will be 50 additional pieces of equipment deployed on southern Ontario highways, primarily to help clear ramps and shoulders in communities like Northumberland-Quinte West.

Our colleague, my other parliamentary assistant, Mike Colle, was in Woodstock making a similar announcement, because obviously this will have a positive impact. And I got a chance to learn all about the tow plows and the combo units and the rest of the machinery that our area maintenance contractors will be deploying this year because of the additional resources that we're bringing to this particular situation.

So my expectation is that, first of all, I'm going to keep my fingers crossed—not as the Minister of Transportation, but as someone who doesn't really enjoy shovelling snow as much as I used to—that this

upcoming winter season doesn't quite have the same weather that we had last year. But regardless, I am very confident that the Ministry of Transportation will be very well positioned to work with our contractors to make sure that we provide drivers across the north and the south of our province with a much better situation than they perhaps experienced last year.

Mr. Grant Crack: Thank you. Just a follow-up, then, and I appreciate your comments on rural Ontario. But part of my riding also—I've heard some area-specific questions before. East of Ottawa, there's a serious issue with delays and congestions similar to what happens in the GTHA from Clarence-Rockland on Highway 174/17 into the city of Ottawa. The city of Ottawa and the united counties of Prescott-Russell are undertaking an environmental assessment and they're looking to determine the preferred corridor and come up with some costs in the future. I just wanted to make sure that you're updated on that particular file. It's very, very important to traffic flow in eastern Ontario, especially a lot of the traffic coming from Quebec, as it's a main corridor coming from the province of Quebec all the way up through Hawkesbury, some other smaller municipalities and then up to Orleans. I would hope, maybe, you could just set aside some money once that EA is done, and I look forward to working with you on that project as well.

Hon. Steven Del Duca: Now, if I can just say—I know you're not actually asking a question there—but if I could just say, because I'm sure there are a number of individuals from your community who are watching as we're sitting here in committee and we're talking about this: Everyone who lives in your riding should be very well aware of the fact that you are a true champion for your community, and I know that you never have had nor will you have any hesitation in making sure that the Minister of Transportation, that the minister responsible for infrastructure, that every single individual who serves within the government caucus and cabinet is very well aware of the needs of the people of Glengarry-Prescott-Russell. I know that you'll continue to champion your community here at the Legislature for many, many years to come.

Mr. Grant Crack: Well thank you very much, Minister. I'll pass it off to one of my colleagues. Again, thank you very much for the thorough answer on the outside-the-GTHA portion of the \$29 billion.

The Chair (Ms. Cindy Forster): Ms. Kiwala?

Ms. Sophie Kiwala: Thank you. It's interesting to hear you speak about winter maintenance. Actually, I'm going to take a sidetrack for a minute—I know it's never happened in this room before—I was listening to you speak yesterday and I have to say that for being a new minister, I'm very impressed with the breadth and depth of your knowledge on the various different kinds of transportation projects that you have and that you seem to have mastered. When you spoke about those projects, you were not only able to discuss them—I'm new, but it seemed to be very thoroughly—you also did so with what seemed to be a great deal of pride. That may not always

be the case and that impressed me, so I thank you for taking that amount of energy and enthusiasm in your new role. It's most commendable.

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Hon. Steven Del Duca: If this keeps up, Chair, can we add 10 more hours to my time at estimates?

The Chair (Ms. Cindy Forster): Ms. Kiwala has about four and a half minutes.

Ms. Sophie Kiwala: Okay, I'm going to wind up quickly with one little thing. In Kingston and the Islands, we have what I would call a unique set of transportation issues because of the islands and the LaSalle Causeway. As you probably know, we had some issues with ice clearing with our ferries, and that was in process. After I won the election, the Ministry of Transportation was already working on that problem, so that was great. It was well under way. The mayor of the islands and I did not need to do our dive after all, because we were both threatening that we were going to do that. That was good, so thank you for that.

There is also the LaSalle Causeway bridge that has been talked about in our community for a very long time. I know you can't give any promises or specific answers to projects—I'm not asking for that—but in general, if you can just speak a little bit to some of those types of projects and what you have, and the government has, coming forward in the next little while.

Hon. Steven Del Duca: Absolutely. Thanks very much for that question. I am a little bit embarrassed by your opening, but I appreciate it. It was a wonderful segue to butter up the minister before you asked about some of the projects in your local community. But I'm only teasing, I'm only teasing.

Ms. Sophie Kiwala: It was meant earnestly.

Hon. Steven Del Duca: First of all, I think that the community—the riding, let's call it, of Kingston and the Islands—has benefited greatly since 1995, obviously. Your predecessor, our very good friend, someone I've known for a very long time, former MPP John Gerretsen, was a very strong advocate for the community. I know that's a tradition that will continue because of the representation that you're providing to the people of Kingston and the Islands. Of course, within that community, between yourself and former MPP John Gerretsen, while he served here, and Mayor Mark Gerretsen, at least for a few more days, there has never been any hesitation—like I said about the member from Glengarry—Prescott—Russell; maybe it's an eastern Ontario thing. But there has never been any doubt or hesitation about making sure that we clearly understand, here at Queen's Park, what the priorities are.

Again, I did have a chance to meet with Mayor Gerretsen and, I believe, the chief administrative officer—or the city manager or whatever the right title is—for Kingston when I was at the AMO conference. Specifically, they talked to me about some of the stuff you just referenced a second ago. We had a great conversation. They are aware of the fact that we have a number of decisions that need to be made around how we support crucial infrastruc-

ture—bridges, roads, highways—in addition to the public transit that we talked about a second ago. They are obviously willing to partner with us. In that meeting that I had with them, they made it clear that there is, as you mentioned, a variety of requests, and there still is some local work that needs to be done, from what I recall, working with MTO to talk a little bit about some of the prioritization—

The Chair (Ms. Cindy Forster): You have one minute, Minister.

Hon. Steven Del Duca: Thank you very much, Chair—about what might be forthcoming. I know that since 2003, the community of Kingston, the riding of Kingston and the Islands, has seen the benefits of having a provincial government in place that believes passionately in making sure that our public infrastructure is constantly renewed and revitalized. In the coming months and years, because of your advocacy and because of the fact that we will continue to do the work at MTO in that evidence-based way that I talked about extensively while being here at committee, I have no doubt that we'll be able to partner with Kingston on a lot of exciting projects.

I look forward to that, and I certainly look forward to hearing from you and whoever might become the mayor after Monday, October 27, in that community—and others from the community—about exactly how we can go forward, not only building Ontario up but making sure that we also build Kingston up.

The Chair (Ms. Cindy Forster): Thank you, Minister.

Official opposition: Mr. Hillier, 20 minutes.

Mr. Randy Hillier: Thank you, Chair. I'm glad to see that the minister is still standing after that withering onslaught of softballs and fluff. To listen to a 20-minute infomercial about yourself must be a tough thing.

It's unfortunate that the Liberal members on this committee don't understand that they do have a responsibility in this committee to examine the estimates of each ministry that come before it and that they have a responsibility to their constituents and to the broader public to actually ensure that the public is getting value for the money that is being spent by your ministry.

Let me start off, Minister: First off, yesterday I requested the pre-feasibility study. You were noncommittal on providing that to the committee. After a good night's rest and all that patting on the back, have you made a decision whether or not you will provide the pre-feasibility study to us?

Hon. Steven Del Duca: I really enjoyed the discussion that we had back and forth, both myself, yourself and also your colleague from Kitchener—Conestoga about the importance of this particular project for our government. My answer hasn't changed since yesterday.

Mr. Randy Hillier: Okay.

Hon. Steven Del Duca: That's still under consideration, but I appreciate you asking again.

Mr. Randy Hillier: Minister, I've gone through the public accounts and there's a number of expenditures that

are unexplainable in how they're listed in the public accounts. I think this is important for all members of the committee that they go through the public accounts and see how expenditures are reported so that we can examine them. I'm going to ask about a couple of those expenditures.

The first one is an individual named Rudy Mion who received \$1 million. He's president of Central Precast Inc. In addition to that is a fellow named John Mion who received \$760,000 in other payments. He's vice-president of Central Precast Inc.

Minister, I'm sure you don't have that information at the tip of your fingers, but maybe you could give us some indication of what those expenditures might have been for?

Hon. Steven Del Duca: I appreciate that question. I'm going to ask the deputy and perhaps some of the team here to be able to provide you with that information.

Ms. Linda McAusland: So that information is in volume 3 of our public accounts. I don't have the specifics on what that would have been, but we can look into it and see what we find out about those in particular.

Mr. Randy Hillier: Okay.

Ms. Linda McAusland: Are there others involved, Mr. Hillier, that you want us to look into?

Mr. Randy Hillier: Yes, there are, and maybe if it would be appropriate, Minister, if I could table this list with the committee Clerk—

Hon. Steven Del Duca: Yes, please.

Mr. Randy Hillier: —and if you could fill in some of those gaps, what these expenditures purchased or services rendered, but they all show up in other payments under the Ministry of Transportation public accounts.

Hon. Steven Del Duca: I'd appreciate that

Mr. Randy Hillier: Minister, you mentioned that \$571 million flowed through to the Ministry of Northern Development and Mines, but it was not for transportation to the Ring of Fire. We know, looking at your results-based planning book, that the Ring of Fire in all government documentation—the multi-modal transportation to the Ring of Fire is a big factor, a big project, but I don't see anything in the estimates allocating expenditures for the design or construction of the transportation links to the Ring of Fire. Is it in the estimates and, if so, where would I find it?

Hon. Steven Del Duca: I'm going to ask the deputy to clarify—

Ms. Carol Layton: Sure. I might have Gerry Chaput jump us as well, but first of all on the \$571 million, because I did reference that, you can actually see that on page 79 of 86 of your estimates briefing book. What I mentioned there was that the regional offices for our provincial highways management team, as we call it—we have offices in North Bay, Thunder Bay, Sudbury and all that. Our staff do all of the planning and the engineering work and the procurement and all that for all of the highway design and all that, and the money is actually in that very large—

Mr. Randy Hillier: You already explained that earlier. So—

Ms. Carol Layton: Yes, but it's recovery—I guess the point that I wanted to point out for you is that there's a \$571-million recovery then, and we recover—so we do the work, the money flows through, we cover it back from the Ministry of Northern Development and Mines. There is not an allocation in the 2014-15 estimates in this ministry for work for the Ring of Fire. Actually, the lead ministry for that is our colleague ministry the Ministry of Northern Development and Mines.

1700

Mr. Randy Hillier: That's fine. So there is nothing in the estimates committee for a transportation link to the Ring of Fire. I guess we'll take a look at northern development and see if they have some appropriations for transportation links to the Ring of Fire.

I want to ask some questions about—recently, your ministry has made significant changes to testing for seniors. This is for seniors over the age of 80. This requires a number of notifications mailed out and new cognitive testing for seniors. Minister, two questions on this: The first is, what is the cost of that program? Secondly, how many seniors have lost their licences due to the cognitive testing?

Hon. Steven Del Duca: When you say the cost of the program, can you just clarify for me?

Mr. Randy Hillier: The cost to administer, to notify, to pay for whoever is doing the cognitive testing, and then the—

Hon. Steven Del Duca: And the number who have lost their licences?

Mr. Randy Hillier: Yes.

Ms. Carol Layton: What I'd like to do, actually—I could call up Heidi Francis as well. First of all, we recognize, because of that growing demographic, our seniors population—we actually felt that we had to work with health specialists and scientists on a different form of testing. So absolutely, in April 2014 we did introduce a new test. We were the first ones in the world to do it. That's what we're doing at the Ministry of Transportation. It's a test that is actually looking at their—you use the term "cognitive," but it is a special test.

Mr. Randy Hillier: I've seen the test.

Ms. Carol Layton: You've seen the test. We're actually very transparent about that test; it's up on the website. The point there is that we still do the driver record review. We still look at the vision test. We still do a smaller, in-class session. We were motivated by, first of all, less time for them—a three-hour session versus reducing the time—but also motivated by a more effective test, truly getting at their driver behaviour. I don't have exactly—

Mr. Randy Hillier: That leads me to a third question then: From what you just stated, what evidence—because we are the only jurisdiction that does this. Actually, in a number of the studies I've read, many European countries previously had that and have gotten rid of it because of its lack of effectiveness. If you have any evidence or

any studies that you used to base your decision on, I would be most appreciative to have that shared with us.

Ms. Carol Layton: First of all, I think you might be referring to the SIMARD test, which was fairly contentious. We are absolutely not doing the SIMARD test, not by any measure of comparison.

I think I will ask Heidi Francis, though, who is the assistant deputy minister for road user safety—it was actually her branch, when she was in the director's job, that actually oversaw the research. Perhaps if she could expand on that a little bit.

Mr. Randy Hillier: Sure. If she could answer those questions for me, it would be much appreciated.

Ms. Heidi Francis: Sorry, what—

Mr. Randy Hillier: Those questions—the cost of it and how many people are having their licences revoked or suspended due to it.

Ms. Heidi Francis: Absolutely. There is no cost to the senior. There never has been. The cost of the program to the senior—there is not a cost.

Ms. Carol Layton: The seniors aren't charged.

Mr. Randy Hillier: Except when they get into a medical review situation; then there's a significant cost to the senior.

Ms. Heidi Francis: If the seniors have to go for a medical review or any kind of information we require back, we need that. There's no way to get around that. That was also in the old system, though. Nothing has changed with that.

Mr. Randy Hillier: Okay, so the program costs from the Ministry of Transportation and how many people have had their licences suspended due to it.

Ms. Heidi Francis: Nobody gets their licence suspended from a group education session. They never have and they don't now. There is no change there. What the change is—and I'm really happy you asked because this is a program that we're very, very proud of. You asked about evidence. It took us a number of years—

Mr. Randy Hillier: Okay, the first two questions: the program cost—how much is it costing the ministry to do this program?

Ms. Heidi Francis: I don't have those numbers here with me, but there is no increase to what the program cost before. I don't have those numbers.

Ms. Carol Layton: We can get it for you.

Mr. Randy Hillier: Okay. And you're telling me that due to this testing, nobody has had their licence suspended or revoked or required having it temporarily removed until they do further medical reviews?

Ms. Heidi Francis: What happens in the group education session—

Mr. Randy Hillier: Maybe you could just go a little closer to the microphone.

Ms. Heidi Francis: Sorry. What happens in the group education session, which you may be confusing with other things that we do in the ministry, is a senior comes into the session. In the old world, what they used to do was a knowledge test. It didn't make a lot of sense to

have a senior do a knowledge test on what a stop sign looked like or what a traffic light was.

What we knew we needed to do, with the growth in seniors, was to test the cognitive ability, which we can't test in a knowledge test; there is no way to do that. So what we did—and I'm really happy you asked this, because it's a really great program, and we also have the support of—

Mr. Randy Hillier: Not so great for a lot of people who have been subjected to it, I'll tell you.

Ms. Heidi Francis: Well, I can say anecdotally that I have a 93-year-old father and an 84-year-old mother, and they were very pleased with this.

We have also sat through the seniors—and we've seen them when they exit. They actually prefer this to the knowledge test, and I'll tell you why. When you go on to our website, you can actually see the test before you show up. It takes the fear factor out.

The other thing that is important on this test is that it is supported by the medical community, in spades. We had out 446 peer-reviewed articles, and we can give this to you because we have that publicly available. We went through each of these, and we came down to 42 tools. This is something that a lot of hard work went into, and we feel very, very proud of it.

We came up with two tools that worked in our environment. One is the clock drawing, which you have seen and you could see if you went, and the other one is a letter cancellation. What they test—

Mr. Randy Hillier: Okay. I don't want to get into—

Ms. Heidi Francis: No, but I'm going to tell you what they test and why they're really, really important.

Hon. Steven Del Duca: And you asked for the research.

Mr. Randy Hillier: To provide the research, yes.

Ms. Heidi Francis: This is actually really very important to the question. It tests the visual-spatial ability of the driver. That's one thing. That's the clock drawing. In addition to that, what it also tests is the psychomotor, but here is the piece that—

Mr. Randy Hillier: Maybe I'll clarify my question. If you fail the cognitive test, you are then put in to do a medical review.

Ms. Heidi Francis: You may not be, and here's another piece—

Mr. Randy Hillier: Well, let's talk about the ones who are. Okay? Because that's what my question is about, the ones who are. Then there is a significant cost for them, through DriveABLE, to go through that medical review testing, through a private contractor, and I'm asking, how many people. I beg to differ. I have seen and heard from many constituents that with that cognitive test, if they don't get it done in the allotted time or if there is a failure, then your licence is suspended until you get back to a DriveABLE facility and pay the \$500 to \$800 that they require for you to go through that test again.

I would just phrase that question again. People going through, seniors over 80, however you want to frame it up—seniors over 80, how many of them have failed to

meet the MTO requirements? Maybe that's the best question.

Ms. Heidi Francis: Well, actually it's an even more complicated question. There is a decision tree that you go through with the two tests and with the driving record, as well. There are about 18 different combinations that can come out of that. I can tell you that that decision tree is used at the medical school at U of T, and it is used at Yale right now. It is a solid decision tree.

When you come out of this, it will give you a number of combinations. You may pass, you may go to a road test or you may go for a medical. There is a cost with the medical, but that was under the old system also. But what happens here, which is better, is that we actually send the right people to the right test, and so we're not sending a senior under a wrong test—because we didn't have the confidence level that we have now. It was an absolute step in the right direction. We have support from the stakeholders.

Mr. Randy Hillier: I would challenge you on that. I had one constituent who was in a doctor's office, and the husband said, "Oh, you're being forgetful," in an off-handed fashion, and that person then had to go through that cognitive testing etc., just on an offhand comment. So I would say your decision tree has a few more knots in it than maybe what you're willing to recognize.

Ms. Heidi Francis: No. I think you've mixed something up there. When you're in a doctor's office and the doctor feels that they have to report you, which is another program—if a doctor reports you, we don't have any option but to go down that path so we're all safe on the road.

1710

That isn't the cognitive screening test. It's something a doctor made, Minister. That could be SIMARD actually, but it isn't one from the Ministry of Transportation.

Hon. Steven Del Duca: And then, by the way, just to be clear: That's not age specific, what you're talking about. Right?

Mr. Randy Hillier: No, it certainly isn't age specific.

The Chair (Ms. Cindy Forster): Mr. Hillier, you have about four minutes.

Mr. Randy Hillier: Okay. Let me go on to one other subject, and that is, in the estimates, I know that there had been some decisions made on the drive-on, drive-off ferry for the Amherst Island ferry. Are there any appropriations in the estimates for continued design, development and construction of the drive-on, drive-off ferry for Amherst Island?

Hon. Steven Del Duca: Thanks for that question. We're just going to get you clarification on that one right now. Just give us one second.

Ms. Carol Layton: We don't have the specific figure for it. It would be in a larger number, I think—is that what you're saying, Gerry? We think.

Mr. Gerry Chaput: We think. I'm not sure whether it's allocated for the next year's investments or not. Sorry.

Ms. Carol Layton: We can get back to you on that.

Mr. Randy Hillier: If you could.

Ms. Carol Layton: Yes, we're happy to do so.

Mr. Randy Hillier: Okay. I guess, just one last question on this DriveABLE. DriveABLE does all these medical review tests. What oversight, Minister, do you and your ministry have on auditing and ensuring that DriveABLE, or any other contractor that you may engage in the future, is meeting the intent and the legislative requirements for that medical review testing that DriveABLE does on our behalf?

Hon. Steven Del Duca: I do apologize. I missed the very beginning of your question. I'm not sure if you can give me that very quickly again, or we can try our best to answer.

Mr. Randy Hillier: DriveABLE is a private contractor. They do, I believe, all the medical review testing in-car. They charge people between \$500 and \$800 each for that driver's test. I'm wondering what specific mechanisms MTO has to audit DriveABLE and to ensure that they are meeting the obligations of the legislation?

Hon. Steven Del Duca: Thank you for explaining that to us again.

Heidi?

Ms. Heidi Francis: I'm not sure which ones they use when they go for a medical assessment—the occupational therapists in a full medical assessment. I have to get back to you on that one if it is DriveABLE. I'm not sure that that's the one that we're using right now.

Mr. Randy Hillier: You are.

Ms. Heidi Francis: It is. Okay, so I have to get back to you on that.

The Chair (Ms. Cindy Forster): Two minutes, Mr. Hillier.

Mr. Randy Hillier: Okay, so I'll just finish off: I don't believe I got a clear answer to the fleet acquisition. Can we get a list of what the MTO is acquiring under the fleet acquisition this year?

Hon. Steven Del Duca: Yes.

Ms. Carol Layton: Yes.

Mr. Randy Hillier: We can.

Ms. Linda McAusland: Can I clarify?

Mr. Randy Hillier: Okay.

Ms. Linda McAusland: I would like to clarify.

Hon. Steven Del Duca: We may have it for you right now.

Ms. Carol Layton: With one bit of clarification.

Ms. Linda McAusland: What I can give you is a list of the vehicles that are currently on our selector list. We are currently working with ministries to determine where their fleet is as far as whether they're at that seven-year or 200,000-kilometre mark. Based on that, we make our procurements at the end of March.

I don't have the specific list of what the makeup is of that—what will actually be procured this year—but I can give you the vehicle selector list with what we choose.

Mr. Randy Hillier: And you must have a quantity. How many vehicles do you—

Ms. Linda McAusland: We're just going through that process with ministries right now. We're going through

their inventory. Again, there are over 5,500 vehicles in our list. We're working with them to determine which ones are at a ready state, are fully amortized, and are ready for replacement. So we don't have those—

Mr. Randy Hillier: You replace at 200,000 kilometres?

Ms. Linda McAusland: There's a criteria: 200,000 or seven years is our criteria right now.

Mr. Randy Hillier: Okay. Well, I think my time is probably just about out.

The Chair (Ms. Cindy Forster): I think it just about is. Yes.

Ms. Linda McAusland: Would you like the vehicle selector list?

Mr. Randy Hillier: Yes. Sure, absolutely.

The Chair (Ms. Cindy Forster): Thank you. Ms. DiNovo, 20 minutes.

Ms. Cheri DiNovo: I'm just going to, first of all, recap what we were talking about before. I asked you about facing cuts. I heard the response that there wasn't going to be an overall cut in your ministry, which again might be a surprise to other ministries.

I asked you about the Niagara rail priority, which I didn't get an answer to. But essentially, I asked you, "Would it be built at all, ever?" We have a question mark still about that, so we don't know if Niagara will ever be built.

The Kitchener-Brampton rail question: We had Glen Murray promise five years. We had 15 years from Metrolinx staffers. And so you've fallen, Minister, in the middle there at about 10 years, that maybe in 10 years, we'll get that happening, except for two trains in 2016, to be fair.

Now we're on to—

Hon. Steven Del Duca: Two trains in the morning and two trains in the afternoon, just to be fair.

Ms. Cheri DiNovo: Okay, four trains in 2016.

Hon. Steven Del Duca: Yes, which the people of Kitchener-Waterloo are thrilled about, by the way, if you have a chance to speak to them at some point.

Ms. Cheri DiNovo: Okay. That's for sure in 2016?

Hon. Steven Del Duca: It is, yes.

Ms. Cheri DiNovo: It is absolutely for sure.

Hon. Steven Del Duca: Yes.

Ms. Cheri DiNovo: You know what? That's the very first "for sure" answer I've had since sitting in this chair. That's great.

Going on to Hamilton, I left before I got the answer to the question. Are you committed to funding 100% of the Hamilton King-Main light rail project?

Hon. Steven Del Duca: I'm happy we've had the chance to circle back and talk about this. I was in the middle of explaining to you that I had the chance, as your colleague knows because she was there that day as well, waiting for me outside—

Miss Monique Taylor: I wasn't allowed in.

Hon. Steven Del Duca: I had the chance to sit down with Mayor Bratina and members of council, a couple of the mayoralty candidates who I don't believe serve on

that particular committee of council, for me—at that point, a very new Minister of Transportation—to have the chance to hear very directly—from not only the mayor, the council members and the mayoralty candidates but also senior city staff—about some of the work that that municipality, Hamilton, has undertaken. I referenced the Rapid Ready report.

I thought it was a great meeting. It was a great conversation. There is a lot of passion. I don't mind saying this; I've said it many times to my colleague Minister McMeekin. I still to this day receive, almost on a daily basis, emails from people in Hamilton who are very passionate about this issue, which I think is thrilling to see—

Ms. Cheri DiNovo: That's lovely, but the answer to the question: Is 100% of the funding—

Hon. Steven Del Duca: In the course of the conversation and in the course of my opportunity to speak with the media afterwards, I reiterated that we will be there to support rapid transit in the city of Hamilton. What I said to—

Miss Monique Taylor: What does rapid transit mean?

Hon. Steven Del Duca: I'm not sure who's asking the questions at this point, Chair. Sorry.

Ms. Cheri DiNovo: No, it's okay.

Miss Monique Taylor: Sorry.

Hon. Steven Del Duca: It's okay. I don't mind taking questions from other members of—

Ms. Cheri DiNovo: The 100% funding question.

Hon. Steven Del Duca: What I said to city staff that day and what I said to members of council, and this is really important: When Rapid Ready was done, the province hadn't, at that point in time, contemplated that two-way, all-day regional express rail for GO would take the priority that it is. My question to staff—and they gave me a great answer that day, which I was able to take back to both the staff at Metrolinx and also the staff at MTO. Rapid Ready was actually 2013. I said 2012 or 2013 earlier; I couldn't remember. It was approved February 27, 2013. What I said was, "Have you given consideration to how the investments that we are making as a province in your community to help support the delivery of two-way, all-day regional express rail would link up, potentially, to what you want to see with respect to your rapid transit?"

They provided some information to me that day. I was able to take that information back. I know that the conversations have continued to occur between officials at Hamilton and also MTO and Metrolinx. Like I said with respect to the answer that I gave you earlier on Niagara and many of the answers I gave yesterday, MTO and Metrolinx are working with a number of municipalities. They are working together to make sure that in the short term, we will be able to announce exactly how we plan to deploy what we will be doing next around two-way, all-day GO, the regional express rail, and how we'll be supporting projects like the one that will be supported in the community of Hamilton to make sure that it all links up.

Ms. Cheri DiNovo: Okay, so 100% funding—

Hon. Steven Del Duca: What I did say publicly that day was that the province of Ontario will be there with 100% funding for rapid transit in Hamilton, and we are working on the details still.

Ms. Cheri DiNovo: And what does that rapid transit look like? The two light rail lines—not part of that discussion?

Hon. Steven Del Duca: Everything is part of the discussion at this point in time, as it was when I was there.

Ms. Cheri DiNovo: Okay. So moving on to Scarborough rapid transit.

Hon. Steven Del Duca: Sure.

Ms. Cheri DiNovo: We all watched when the light rail transit turned to subway during the campaign there as well. My first question is, what is the status of negotiations to change the terms of the master agreement from the LRT to the subway? What is the status of those negotiations?

Hon. Steven Del Duca: I know that Metrolinx continues to have discussions with the TTC and, again, with the municipality here in Toronto, like they do with others. Those negotiations and discussions are ongoing.

Ms. Cheri DiNovo: They're still ongoing. They haven't resolved it.

Hon. Steven Del Duca: Yes.

Ms. Cheri DiNovo: Okay. So we still don't know: LRT or subway.

Hon. Steven Del Duca: No. We ran on a plan in the last election campaign which the people of Scarborough and the people of Toronto and, frankly, the people of Ontario endorsed in a very clear way. That plan included building a subway to Scarborough, and that's what we're going to do.

Ms. Cheri DiNovo: Okay. The Scarborough subway EA that's due to be completed in 2016, is that still on target? Are the negotiations going to be done by then? Is that going to happen?

Hon. Steven Del Duca: I don't have an exact date in front of me right now. Off the top of my head, I don't remember the exact date of conclusion for that EA.

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Ms. Cheri DiNovo: Okay, so that's still ongoing.

Let's move on to the Eglinton Crosstown. When will that contract be signed?

Hon. Steven Del Duca: Which contract are we talking about?

Ms. Cheri DiNovo: For the Eglinton Crosstown.

Hon. Steven Del Duca: When you say the contract that will be signed, are you talking—I mean, there's work that's being undertaken right now, but you're talking about the—

Ms. Cheri DiNovo: For financing.

Hon. Steven Del Duca: The RFP that's—

Ms. Cheri DiNovo: Yes.

Hon. Steven Del Duca: Just give me one second. I'm trying to get you a date or a time frame.

Ms. Cheri DiNovo: I'll move on. Basically, what you did is you issued \$500 million worth of green bonds—

we've talked about this before—to be used to finance the Eglinton Crosstown. I'm interested in how those green bonds will work with alternative financing and procurement—how much of the Eglinton Crosstown, for example, will be procured using traditional public methods and how much will be procured with alternative financing and procurement. What is the ratio there?

Hon. Steven Del Duca: Just give us one second.

Ms. Cheri DiNovo: Sure. No problem.

Ms. Carol Layton: Sorry, Eglinton Crosstown: What you're asking for is, first of all, when the actual AFP will be signed. I think you asked for that, right?

Ms. Cheri DiNovo: Yes.

Ms. Carol Layton: As well, did you ask for a sense of the—

Ms. Cheri DiNovo: Well, I'm asking how much is going to be funded, first of all, by the AFP and how much by the green bonds. What does it look like right now?

Ms. Carol Layton: First of all, that first issue of that green bond which was reported I think on October 9, which I referenced yesterday, was a \$500-million bond, and the commitment was that that was a bond to be used for the Eglinton Crosstown. So that's that.

I think the Eglinton Crosstown AFP, that value—is that one you can speak to, John?

Mr. John Lieou: Yes. I think—

The Chair (Ms. Cindy Forster): Excuse me, could you identify yourself, please?

Mr. John Lieou: Yes. I'm John Lieou. I'm with the MTO policy and planning division.

With respect to your question on AFP versus green bond, even AFP procurement will require—sorry, my voice—some sort of payments to the consortium. Those payments will be financed through the green bonds. So that's how it works.

In terms of your question of when the contract will be signed, I assume that what you're asking really is, on the AFP procurement process, when will it conclude and so on?

Ms. Cheri DiNovo: Yes.

Mr. John Lieou: Basically, the information that I have is that two short lists of consortia are currently in the process of responding to an RFP—

Ms. Cheri DiNovo: To the RFP, since you're there: Why is it incomplete?

Mr. John Lieou: What do you mean?

Ms. Cheri DiNovo: The RFP seems incomplete. For example, you don't have submission requirements, you don't have evaluation criteria for the RFP. So where are the evaluation criteria and the submission requirements?

Mr. John Lieou: We're going to have to check with Infrastructure Ontario, which is leading the process for Metrolinx. However, in terms of timing, I think they expect to receive submissions by December of this year, December 2014. I do not know the status of the criteria. They may be available or they may not be yet—

Ms. Cheri DiNovo: We're very concerned that the public be able to see those criteria. I'm going to give you an example, and you're probably aware of this example.

In Vancouver, there's a lawsuit now because they were promised, through the AFP process, tunnel boring, and they ended up with a cut-and-cover, which was very disruptive. So local merchants are—it's an ongoing lawsuit. I think for your safety, for our safety, for information for the people who are going to be affected in that corridor, they would want to know what the criteria are for the bidders on this.

Hon. Steven Del Duca: You mentioned tunnelling a quick second ago and I just want to make sure—I think you know this anyway. The tunnelling work is under way; it's well advanced.

Ms. Cheri DiNovo: Yes, I know, but I'm just giving you an example of what happens when the process is not transparent. You open yourself up for—

Hon. Steven Del Duca: I just wanted to make sure, that's all.

Ms. Cheri DiNovo:—you open yourself for lawsuits. That's concerning.

Mr. John Lieou: Ms. DiNovo, on your question of criteria, we undertake to come back and clarify that after we've confirmed with IO, Infrastructure Ontario. But in terms of timing, your earlier question, Infrastructure Ontario, IO, expects to receive the final submissions from the consortia by December 2014. If the process proceeds according to plan, then there will likely be a selected winner by early 2015.

Ms. Cheri DiNovo: And which consortia are they?

Mr. John Lieou: There are two consortia. I do not have—

Ms. Cheri DiNovo: That's hardly a competitive bidding structure.

Mr. John Lieou: Sorry?

Ms. Cheri DiNovo: Only two?

Hon. Steven Del Duca: To be fair, you have to remember at \$5.3 billion, this is the largest public transit infrastructure project in more than half a century in the province of Ontario.

Ms. Cheri DiNovo: Absolutely. This is the problem, we would say, with the process, that there are only two that can even bid on it in the first place. The TTC report, as you're aware, had some real problems with it. They said—and I'm quoting from the report—that “the APTA peer review noted that although AFP promises increased competition with very large multi-billion contracts, there is a very real possibility that such large contracts may actually inhibit competition”—which we see that they are—“and may result in no competition. The contracts may be so large that very few, if any, contractors have the resources and can raise the financing to participate even in the RFP process” at all.

You are confirming that the TTC's concern—that this peer review is actually correct—

Mr. John Lieou: I'm not sure—

Hon. Steven Del Duca: In no way, shape or form are we confirming the assertion that you provided to the committee. Again, we are talking about the fact that we are moving forward on delivering to the people of Toronto and the people of the greater Toronto and Hamil-

ton area a more than \$5-billion public transit infrastructure project which represents the single largest public transit infrastructure project in this province in more than half a century.

We will provide you with the information, which I'm sure is probably publicly available—

Ms. Cheri DiNovo: It wasn't just the TTC, Minister.

Hon. Steven Del Duca:—around the two consortia that are going to be bidding on this or doing the work. You will see that we are talking about some of the world's finest, including—

Ms. Cheri DiNovo: We may also see a \$500-billion—

Hon. Steven Del Duca:—Ontario-based infrastructure companies that I would argue, because we have a very strong track record of delivering infrastructure across a wide variety of sectors in the province of Ontario—

Ms. Cheri DiNovo: If I might interrupt for a second because I have limited time. The TTC have concerns. The American Public Transportation Association have serious concerns about this process, and the Construction and Design Alliance of Ontario have serious concerns. In fact, they said that the government, under this process, will probably overpay by half a billion dollars. That's from their express concerns. That's from their writing. What do you say to that, because that's scary?

Hon. Steven Del Duca: I say that over the last 10 years the government of Ontario has delivered billions and billions and billions of dollars through alternate financing procurement in the health care sector, dealing with courthouses—

Ms. Cheri DiNovo: We've seen gas plants. We've seen Ornge. We've seen all sorts of problems with—

Hon. Steven Del Duca: Chair, if I could have an opportunity to answer this question, that would be wonderful.

Ms. Cheri DiNovo: Sure. Go ahead.

Hon. Steven Del Duca: Great. We've seen in this province literally more than two dozen, I believe, hospitals built. We've seen courthouses and a wide variety of communities—

Ms. Cheri DiNovo: Brampton hospital, over cost.

Hon. Steven Del Duca: As someone who lives next door to Brampton, I can tell you that every single occasion on which my wife or I or my children have been there for any kind of health care, we have received nothing but top-notch health care. We have also had the opportunity—it is a neighbouring community to mine—to be in a physical space that I would argue is in great shape.

I'm also the MPP for the community of Vaughan. We're in the process of, hopefully soon, releasing the RFP for the future Vaughan hospital, which will also be an AFP. We see currently construction taking place with the new Humber River Regional Hospital—

Ms. Cheri DiNovo: Sir, back to the question here.

Hon. Steven Del Duca: But the question was whether or not we can trust the AFP model, generally speaking, for delivering infrastructure.

Ms. Cheri DiNovo: No, I asked you what your response is—

Hon. Steven Del Duca: And my response back to you is—

Ms. Cheri DiNovo: —or Metrolinx's, because Metrolinx and—

Hon. Steven Del Duca: My response back to you is that the people of Toronto and the people of Ontario expect us to deliver. They've seen very clear evidence over the last decade of us doing nothing but delivering positive results—

Ms. Cheri DiNovo: I would argue we've seen very clear evidence of the AFP or the private-public partnership model failing incredibly—

Hon. Steven Del Duca: Then you should talk to people who live in communities that have benefited greatly from the AFP model to deliver their hospitals, deliver their courthouses and deliver, in the future, crucial public transit infrastructure.

Ms. Cheri DiNovo: If you're so convinced that your method is correct, why did you not even bother to respond to these concerns? These are not minor concerns. When the TTC, the American transit association and the Construction and Design Alliance of Ontario all raise these concerns and when Metrolinx doesn't even bother to respond and you don't bother to respond to their specific concerns, I would say we have a problem.

How much time do I have left, Chair?

The Chair (Ms. Cindy Forster): About five minutes.

Ms. Cheri DiNovo: Okay.

Hon. Steven Del Duca: The notion of responding to those particular concerns that were expressed around how we procure some of these projects is probably a question best posed to the provincial agency that deals with procurement for these projects, which would be Infrastructure Ontario.

I can also tell you, coming from the infrastructural world as an individual before I became an MPP, that Infrastructure Ontario—not that I'm the minister responsible for that agency, but I will say because I think it needs to be said, given what you've suggested here at committee today—has a world-renowned record for working on projects like this and for delivering them. I have no doubt that MTO and Metrolinx and Infrastructure Ontario will continue to work closely together over the next decade to deliver the results that the people of Ontario expect us to deliver in transit and transportation infrastructure.

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Ms. Cheri DiNovo: Again, as with everything else, we live in hope but we don't have any guarantees whatsoever.

When we're going into a P3, there are value-for-money audits that are supposed to happen. How many value-for-money studies have been done on the Eglinton Crosstown?

Hon. Steven Del Duca: My suggestion is that that's a question that was better posed to Infrastructure Ontario or to the minister responsible.

Ms. Cheri DiNovo: They said to ask you.

Hon. Steven Del Duca: I wasn't in this room when you're suggesting that was said and I haven't had the chance to review Hansard. And not for the first time, Chair, perhaps for the hundredth time since I appeared at committee, I am being confronted with questions regarding statements that were made by individuals, with no evidence that any of this was said. So it would be helpful for me, as a relatively new minister—

Ms. Cheri DiNovo: I'm happy, if you give me what I've asked for, to give you what you've asked for.

Hon. Steven Del Duca: —for folks to provide me, when they ask me questions, with specific dates and times.

Ms. Cheri DiNovo: I'm happy to do that, if you give me what I asked for—you first. The buck stops somewhere. Bottom line: The buck stops somewhere, and the buck is the Ontario taxpayers' dollar. We just want to make sure of how it's spent, and that we actually see some of these projects.

I'm just going to wrap up because I only have a couple of minutes left, and it's the last time I'll have the pleasure of being here. Just overall, here's the—

Hon. Steven Del Duca: I'm here next week.

Ms. Cheri DiNovo: I'm not back next week though. We're going to be asking different questions on different issues next week by a different critic.

Overall, the theme that I've heard—and I just want to state this for the record—is that we can't trust what former transportation ministers have said. The statements that have come out of their mouths both during campaigns and actually in meetings—and again, these are all public record meetings—we're wiping the slate clean from that. We have a new transportation minister—which we do every year—so we have a new slate. And so in this new slate we have no guarantees of most of the projects that were promised during the last election. The promises that are being kept, like the Union-Pearson rail link, will disrupt and endanger our communities' health, and, I suggest, will run over budget—I'm almost willing to bet money on that—and will run mostly empty at prices no one can afford.

Meanwhile, we're still waiting for the buses in Toronto. We've got new streetcars, I'll give you that, but the tunnel boring on Eglinton, we're still talking about how that's going to be financed; that's under way. Again, we don't have dedicated transit funds, as we were promised, yet again, with the Trillium fund—the money is not necessarily flowing into that. As a good source in the Globe and Mail has pointed out to us—Adrian Morrow has pointed out there is very little dedicated transit funding, period.

I'm just going to lay that out there because I am shocked, really shocked, at how little we know for sure, how little we're guaranteed. And I'm still going to ask you, Minister, I want a rollout—I will give you what you've asked for—of projects, how they're going to be paid for, when they're going to be happening, and you've promised by the end of this year. I would say that the

people of Ontario would like it a little sooner than that, but certainly we'd like it at some point. Projects, when they're rolling out, how they're going to be paid for—that's pretty standard business procedure; we'd just like to see it from your ministry. Thank you.

The Chair (Ms. Cindy Forster): Is that a question to the minister at this point? You have about a minute and a half left.

Hon. Steven Del Duca: I'm happy to respond.

The Chair (Ms. Cindy Forster): Are you expecting a response?

Ms. Cheri DiNovo: What I'm expecting is—and I'll use this last minute to ask for it again—that this has to come back from research and I want all the responses to these questions that I've asked here, and I'd like to see them in writing. I'm happy then to respond in kind. If you want to know when Glen Murray said what he said, who was in the room, I'm happy to supply that; campaign promises, I'm happy to supply them, they're on your documents.

Hon. Steven Del Duca: In the time left, if I could begin quickly by responding—

The Chair (Ms. Cindy Forster): One minute.

Hon. Steven Del Duca: I think one of the things that I heard most loudly and clearly from the member from Parkdale–High Park in that very, very long, protracted, I guess, perception of what's taken place at estimates committee so far was the word “trust.” I think what's most important for the people who are listening to this committee today, and for people who will read this in Hansard after the fact is to remember, if nothing else, we need to trust what the people of Ontario did on June 12 of this past year, and what they did through their representatives in this Legislature when we passed our budget.

We have a very clear responsibility that people have entrusted us, as members of this Legislature; they've entrusted me, by virtue of the appointment the Premier has given me to serve as Minister of Transportation, to deliver on \$29 billion: \$15 billion for the GTHA, \$14 billion for transit and transportation, and other crucial infrastructure outside the GTHA. I have a lot of faith in the people of Ontario and the decision they made that we're going to get on with the job at hand. Thank you very much, Chair.

The Chair (Ms. Cindy Forster): We'll turn it over to the government members: Ms. Kiwala, for 20 minutes.

Ms. Sophie Kiwala: I have to say that I find that the transportation file is very intriguing. I haven't lived in Toronto for a long time. I used to live here a number of years ago. I don't understand how there can be a perception that there aren't a lot of transportation projects going on out there.

When I arrived in Toronto after winning the election, I was plunked right at Union Station. There is lots of incredible construction going on there. There's construction all the way around Queen's Park. There's construction in Kingston. There's a lot of transportation work going on, and it's very evident from what I've seen.

I'm interested in the revitalization of Union Station, Canada's busiest transportation hub. It's an important project being undertaken by the city of Toronto. The expansions to the GO concourses, upgrades to the rail corridor, rebuilding of the TTC subway station and the connection to Pearson airport will keep Toronto moving.

I also recently saw an announcement made by your ministry, alongside Metrolinx and Ivanhoe Cambridge, to further the development of Union Station by connecting it to a new downtown GO bus terminal.

Minister, would you please tell us a bit more about this new GO bus terminal and what implication this bus terminal will have for commuters in and around the GTHA?

Hon. Steven Del Duca: Thank you very much for that question.

I think it's really important—and you kind of referenced this when you started your question with the opening comments—notwithstanding what people may have heard from other members of this committee who seem to have a very narrow view of the positive results that have already been delivered for not only the city of Toronto but for the entire region—positive results that have been delivered, positive results that are currently being delivered, because there is a great deal of work that has already taken place.

I think it's important for everyone to understand that when you are talking about billions of dollars' worth of investments in this kind of infrastructure, it is, I would say, at the very least, unrealistic, and at the very worst, misleading, to suggest to people who are very busy in their lives that this kind of work can take place at the flick of a switch, as if there's a magic wand that exists somewhere to make this happen overnight.

There is an extraordinary amount of expertise, there is an extraordinary amount of work and studying and analysis, and then we get to the point at which we begin the work, and the work itself—because we are playing catch-up, there is no doubt about that. I talked in my opening remarks yesterday about how life in this region generally has changed over the last 10 or 11 years for me as a commuter. We heard from the member from Cambridge about her own experiences and how it has changed. We are playing catch-up. Take into account the planning, the technical analysis, the business case analysis, the research, the literal nuts-and-bolts actual planning you have to do—engineering, architectural, whatever it is—dealing with partner ministries, dealing with municipalities, dealing, we hope, in many cases, with upper-tier governments like the federal government, having them at the table as a stable and secure funding partner.

You take into account all of those moving parts and then you begin the work. You put shovels in the ground and you start the work and—it hasn't come up so far in my appearance at estimates, by the way. When it comes to this infrastructure work, you employ tens of thousands of skilled women and men who work in our construction trades to deliver these projects for us, and in many cases,

for years. For example, with the subway extension that's currently coming to York University and up into York region, it's estimated that close to 15,000 jobs will be created as a result of the investment. That's a fantastic example of an investment where all three levels of government are partnering to make it happen.

But, as I was saying a second ago, there is an extraordinary amount of work that's already under way. Of course, certain members of this committee repeatedly talk about streetcars—the streetcars that I was really privileged to be at the official launch for—as if that's the only tangible result of the work that has taken place here in the city of Toronto over the last decade, as we've invested as a government more than \$19 billion in this kind of infrastructure over that decade, \$9.1 billion for GO Transit. We've seen the positive results: the additional trains, the longer trains, the additional seats, the revitalized GO stations, the new GO stations, the parking spaces that exist across the entire network.

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I referenced the Toronto York-Spadina subway extension. We talked as well today about the Eglinton Cross-town LRT. Think about that for a second: 19 kilometres of LRT across a major artery through the city of Toronto, a \$5.3-billion project, 19 kilometres, about half of which will be underground through, as I call it, the middle part of the city. We're talking about the single largest investment in public transit in this province in 50 years, and that's taken place because our government has had a long-standing commitment to making the right decisions to build public infrastructure up, to build the province up and, frankly, though I haven't mentioned it in my time here at estimates so far, it's also because for a generation before 2003, when all three parties served in power—all three—prior to 2003, there was a generation or more of, essentially, neglect.

That's why there is a huge infrastructure deficit that exists in the province of Ontario and across Canada. It's one of the reasons Premier Wynne has taken such a leadership role as the chair of the Council of the Federation to say to all of her provincial counterparts from across the country, "We have to work together." We have to have that dialogue and discussion with our federal government so they understand that not just for Ontario, not just for public transit, not just for roads and bridges, but right across Canada, we need a national infrastructure strategy that will deliver the revitalization we need for the next hundred years.

There are a lot of projects taking place. Of course, already we see work—I referenced it earlier today. Then in 2016, for Kitchener-Waterloo we'll have two additional trains in the morning and two additional trains in the afternoon. I spent some time up in East Gwillimbury with my good friend the new member from Newmarket—Aurora not that long ago, where we announced that we are opening the brand new GO bus facility. You talked in your opening question about the fantastic project that will take place in downtown Toronto for the new GO bus terminal. Yesterday, in some of the comments that I

made, I talked about how proud I was to be there alongside the chair of Metrolinx and representatives from the private sector from Ivanhoé Cambridge because of their determination and their decision to work with us, that dynamic partnership between what government can accomplish when you harness some of the energy from the private sector to jointly deliver a positive public good for the people of a region.

As you know, we're going to be moving the GO bus terminal that currently sits at 141 Bay Street down to 45 Bay Street. Ivanhoé Cambridge will then build two 48-storey commercial towers, one at 45 Bay Street and one at 141 Bay Street. They will connect the two with a bridge over the rail corridor itself, which means that when you arrive, whether you're on a GO bus or you happen to be on any other kind of bus that's going to be using the new GO bus terminal—you arrive at that station and you can link to the Path system. You can get onto the subway, you can walk, you can cycle—you can do a number of things to get to whatever your destination is, particularly if you have the benefit of being employed in a wonderful community like Trinity-Spadina, represented by a great MPP serving here on this committee.

Regardless of what it is, those linkages, that ability to partner with the private sector to deliver that kind of investment and that kind of economic development is extraordinary, and it's one of the reasons why, wherever I go in the province of Ontario, people have a great deal of faith in the ability that we will have to deliver on these kinds of projects.

This list goes on. I could talk about the fact that not that long ago, we increased GO service along the Lakeshore lines. Every 30 minutes, seven days a week, there's now a GO train running on Lakeshore West and Lakeshore East. We've seen tremendous—I wouldn't say changes in behaviour, but modifications in behaviour in terms of the spike of people who are using the GO trains in off-peak hours.

The air-rail link, the Union Pearson Express, a project that is on time, will be delivered on budget and will provide people in this region with the opportunity to travel directly from our airport for the first time ever by public transit to downtown Toronto, something that will be delivered in time for the Pan Am/Parapan Games in 2015—very excited about the fact that we're making that actually happen. Certainly, whenever I talk to members in the government caucus, like the member from York South-Weston, the member from Davenport or, of course, the member from Trinity-Spadina, there's a ton of palpable excitement in their respective communities for the fact that we are delivering these positive results.

Is our work done? No, absolutely our work is not done. If the people of Ontario thought the work was done, perhaps they would have had a different decision to make on June 12. They didn't. They know that we have to roll up our sleeves, but they want a government—and fortunately they have a government—that is focused on rolling up the sleeves collectively, getting shovels in the ground, making the right decisions, doing the analysis in

the right way and delivering on the projects that will make a positive impact in the lives of the people that we represent and that will help spur significant economic development for years to come.

Ms. Sophie Kiwala: That's fantastic. It's very encouraging, I have to say. That first trip back into Union Station after 17 years of being away—actually, it was probably more than that—I was quite impressed and overwhelmed. But as I was moving along from Via Rail onto the subway system with my suitcase and my briefcase, I started to think about some of the modifications that you're going to have to make in terms of accessibility. I'm wondering if you can speak a little bit to what you're doing with respect to accessibility and how some of these changes have been integrated into your plans.

Hon. Steven Del Duca: Sure. I very much appreciate that question. I know that, in the conversations that my team and I at MTO have had with the folks at Metrolinx, there is a very clear awareness that we are in a position to deliver on the commitments that our government has made around accessibility.

Of course, you'll know from your time within our caucus that this is a subject that comes up on a regular basis. We have many champions within our caucus, from the Premier on down, who are very committed to making sure that we hit our accessibility targets. The team at Metrolinx and the team at MTO understand.

I've heard, frankly, directly from constituents of mine who have talked to me about some of the challenges they faced around accessibility at GO stations and elsewhere. It is work that is ongoing. I have absolute confidence that we'll be able to continue to deliver results for people around the accessibility piece in a way that helps them fully realize the potential and the opportunity to use the public transit systems that we'll be building out as a result of our infrastructure investments.

On the streetcar piece in particular, I should highlight—and I think I said this yesterday in one of my answers—that among many other features in the new streetcars that are being rolled out in the city of Toronto, we also see that they are situated lower. They are physically closer to the ground, which certainly helps a great deal with respect to making them more accessible.

We are going to continue working hard with all of our partners, all of our agencies, to make sure that we deliver on whatever commitments we have made around accessibility.

Ms. Sophie Kiwala: Excellent. Impressive.

The Vice-Chair (Miss Monique Taylor): MPP Ballard.

Mr. Chris Ballard: Thank you for your answers today, Mr. Minister. This is one very detailed portfolio, and I'm impressed at the depth of knowledge that you bring to the table, as well as your staff.

I wanted to first start off by, of course, congratulating you on being Minister of Transportation. I think I was the first out of my seat on the day that you were sworn in to remind you of the needs of Newmarket–Aurora, and I will continue to do that.

But I also wanted to say, on behalf of those of us who use the two new late GO trains northbound to Aurora and Newmarket, thank you very much. I get nothing but a warm welcome when I manage to catch that 6:15 train—which we won't be doing today—back home. A large number of people get to take advantage of it instead of having to take alternative transport home. That was a fantastic way, I think, to start this term.

As the report here puts in front of us, we know that transportation is the cornerstone of Ontario's prosperity. It was interesting: In my riding of Newmarket–Aurora, when I was canvassing, it was the number one issue. It really was the number one issue, because people saw how it tied together the things that affected them most in my riding. It tied together their social issues, their quality of life. It tied together the need to create jobs and prosperity in our communities of Newmarket and Aurora. They understood the importance that it has with our local manufacturers. In fact, years ago when I chaired the town of Aurora's economic development advisory committee, we had manufacturers—large ones, multi-billion dollar corporations that had plants in the riding—talking about the greatest challenge they faced being getting raw material to their plants and finished product to the automobile assembly plants north, south, east, west, and how they might have to move to be closer to those plants. It was very discouraging. It wasn't so many of the things that we think challenge business; it was simply transportation and the cost of transportation that was causing them so much grief.

1750

Much of what we value—our jobs, leisure time, health care, education—depends on the quality and accessibility of Ontario's transportation system. I think that's well established.

I mentioned the quality of life. I remember in my first campaign for councillor with the town of Aurora, people would say to me, "What can you do to make my life better? What can you do to make my family's life better?" The sense of stress that people in my riding face day in and day out—I know this is not just right across my riding but right across many parts of Ontario, the stress that people face because of the daily commute, because the two and three hours a day they have to put into commuting is overwhelming at times. I know that many communities suffer at a social level because we can't get volunteers to take care of the Guides and the Scouts or church or synagogue or whatever, because they're in Toronto, or they're on the Don Valley parking lot trying to get back to their homes and their families. Anything we can do, as you well know, to get people to their jobs and back to their homes in a timely manner will really improve their quality of life.

You mentioned a couple of events in the riding and near to the riding that I just wanted to touch on again personally. The extension of Highway 404 from Green Lane to Ravenshoe Road—by the way, some of the locals took me aside afterwards and told me that it's really "Ravenshoe Road," but we'll deal with that later on in terms of

signage—how important that is to their community, and ours too: We're to the south, and as you rightly mention, 22,000 cars are taken off the road on each southbound and northbound trip. Many of those cars were ending up coming through my riding on secondary streets and side streets, so there has been a noticeable decrease. People are quite thankful that those cars now can get on the road farther north, and stay on the road without coming through my riding. Thank you for that.

We also met at the new bus garage, and I was impressed with that. I was impressed by how high-tech it is, and how there were services there to take care of the bus drivers, like a physical education centre that drivers could work to stay in shape so they wouldn't get out of shape like some of us who sit around committee tables all day long—just some of us though.

I think what was exciting was the announcement of the purchase of the 500th bus for GO services. We heard that our line will soon, I hope, start utilizing the double-deckers, because I know our GO buses are packed already. It's an absolutely fantastic thing to see the number of people who line up to take the GO bus north and south, and the new service that takes them to Sheppard so they can catch the Sheppard TTC line and can get to the north end of Toronto. All sorts of things are slowly unfolding but are really appreciated by the people in our riding.

I also, in reading the fulsome report here, just wanted to make a comment about what really impressed me too. It was about how safe our roads have become. When I drove that Green Lane highway—and I think I had the member for York–Simcoe in my rear-view mirror. I know that the chair of York region went past me at a high clip, but I believe the member from York–Simcoe was behind me—

The Vice-Chair (Miss Monique Taylor): Excuse me, Mr. Ballard. You have two minutes.

Mr. Chris Ballard: Two minutes? I haven't even asked the question yet. Oh, no. Okay, let's get to a question.

Hon. Steven Del Duca: I was hoping I'd get to ask you a question at this rate.

Mr. Chris Ballard: I just had so many things I wanted to get on the record.

Hon. Steven Del Duca: Keep going.

Mr. Chris Ballard: Let me get to the question.

Hon. Steven Del Duca: Take about two minutes.

Mr. Chris Ballard: To sum up, transit has been number one in our riding for years, and there have been a lot of positive things happening and we see a lot of positive things happening. A lot of people in my area take Highway 407 west. I've got to tell you, without getting into any detail because my friends opposite aren't here, we grind our teeth when we have to pay. I'm really interested in knowing about the Highway 407 east extension. Did I say 407 east? We take the 407 west.

Hon. Steven Del Duca: Is it west?

Mr. Chris Ballard: The 407 east extension I'm really interested in, and in what little time is left, can you tell us a little bit more about how the government is going to ensure a seamless payment system for both highways, because one is private and one is public, and will both fees appear on the bill etc.?

The Vice-Chair (Miss Monique Taylor): You have less than one minute.

Hon. Steven Del Duca: I have less than one minute.

I appreciate everything that you said, and it's fantastic to be a York region colleague of yours in particular.

Highway 407 east, phase 1 of which is currently under construction, is, as you mentioned, and very clearly will be as a result of the decision made by Premier Kathleen Wynne and our government—it will remain in public hands, unlike the 407 ETR. Of course, we all know what's taken place with that historically. It's a fantastic, phenomenal, massive infrastructure project that's taken—

The Vice-Chair (Miss Monique Taylor): That's time.

Hon. Steven Del Duca: Am I done?

The Vice-Chair (Miss Monique Taylor): Yes, you are.

Hon. Steven Del Duca: —that's currently taking place. It is a project—

Interjections.

Hon. Steven Del Duca: —the people of Newmarket–Aurora and for all of Ontario. Thank you very much for that hard-hitting question.

The Vice-Chair (Miss Monique Taylor): Thank you, Minister.

It being pretty close to 6 p.m., I will adjourn the committee until 9 a.m. on Tuesday, October 28, 2014.

The committee adjourned at 1756.



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Standing Committee on Estimates

Ministry of Transportation

Comité permanent des budgets des dépenses

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Tuesday 28 October 2014

Mardi 28 octobre 2014

The committee met at 0900 in room 151.

MINISTRY OF TRANSPORTATION

The Chair (Ms. Cindy Forster): Good morning, members. We're here to resume consideration of the estimates of the Ministry of Transportation. There are a total of four hours and 58 minutes remaining. Before we resume consideration of the estimates of the Ministry of Transportation, if there are any inquiries from the previous meeting that the ministry or the minister has responses to, perhaps the information can be distributed by the Clerk at the beginning, in order to assist the members with any further questions.

Are there any items, Minister?

Hon. Steven Del Duca: Yes.

Ms. Carol Layton: I could hand out something but I could possibly just give a little bit of context.

One of the questions that came, which was from Mr. Hillier, related to the electric vehicles, and just the vehicle fleet overall. I explained last week that, over the past three years, we've been consolidating all of the government's fleet under one account, and that's at the Ministry of Transportation as a cost centre, in a sense. That's been accumulating and that's why, if you look in the printed estimates briefing book, you would see that increase.

He wanted to have an appreciation of the types of vehicles. There is a list here, and when we think through acquisition of vehicles we're guided by, first, of course, vehicles manufactured in North America, and secondly, if we do look further beyond, it's to make sure that we're also bringing into the fleet vehicles that are energy-efficient, as in electric vehicles and hybrid vehicles. There's a document here that shows the vehicles and their specifications, so we can certainly make sure we table that one.

Another question that was asked related to the Amherst Island ferry. That's actually not a briefing note, but I just have a quick reference here that I can take you through. We have about nine different ferry services in the province of Ontario. We either own and operate them, or we own and fund them, or others own them and we run them—it's quite an interesting mix of them. They are important ferry services, everything from the ferry services that support Pelee Island to the ones in eastern Ontario, like the Wolfe Island and the Glenora.

The question that was asked last week related to the Amherst Island ferry, and that is one where there is dock work—we're actually modifying the docks, which right now supports the side loading of the ferries, to allow the end loading of the ferries. In the 2014-15 fiscal year—the current fiscal year, of which we're halfway through—there's about \$2.1 million in our allocation for that construction to be happening this year through 2015 and into 2016. There also will be some ferry vessel improvements; they actually were made in 2013. That's just a little handwritten note that I have on that.

I believe another question related to the alternative financing and procurement. That may come up a little bit more throughout the day. This related to value-for-money on the Eglinton Crosstown. That's the 20-kilometre crosstown that is going to basically travel from Keele right over to Kennedy. About half of it—10 kilometres of it—is tunnelled, and that tunnelling is well under way.

The question that was asked was, was value-for-money done for that? Value-for-money, through the Infrastructure Ontario alternative finance and procurement process, is done at three different stages. The initial value-for-money is done, and that's when the Ministry of Transportation goes with our colleagues from Infrastructure Ontario and Metrolinx into our Treasury Board for approval. But the value-for-money that is ultimately released is around financial close, and that is the value-for-money that is posted on Infrastructure Ontario's website. If you went to that website now, you would see other value-for-money reports. They're about 20-page reports, and they're pretty full in the content that they provide.

So the value-for-money that would have been done already for Eglinton, to support that substantial transit initiative, was done internally to support approvals at Treasury Board.

The Chair (Ms. Cindy Forster): Thank you. When the committee adjourned last week, the government had completed its 20-minute rotation, so I will turn the floor over to the official opposition for the next 20 minutes. Mr. Harris.

Mr. Michael Harris: Good morning, Minister.

Hon. Steven Del Duca: Good morning.

Mr. Michael Harris: Minister, I want to start out today asking questions, and hopefully we'll get some clear answers on your aggressive plans for GO Transit.

My first question is, when can commuters expect two-way, all-day GO service to actually commence along the Kitchener line?

Hon. Steven Del Duca: Thanks very much for the question. This is in keeping with some of the discussion we had last week when I was here at committee. What I said, both to questions from the official opposition and also from the representative here from the third party, was that the Ministry of Transportation is currently working very closely with the team at Metrolinx on what the implementation and the phasing plan will look like.

You know our commitment is that, over the next 10 years, we will be able to deliver on the commitment of two-way, all-day regional express rail across all of the corridors that we have in our network. That work is ongoing. I did mention a number of times last week that we are doing that work in an evidence-based way. We're doing it with respect to a lot of business case analysis. That work is ongoing. I'm not really in a position to talk specifically about what that schedule will look like because the work isn't completed around that technical analysis.

We do know, for example, in the Kitchener-Waterloo community, there will be two additional trains in the morning and in the afternoon in 2016, based on the work that has already taken place.

We're going to continue to do the work, between the ministry and Metrolinx, and hopefully—I'm an optimistic person, as I said last week—in the next few months we'll be able to talk more specifically about what the phasing and the implementation schedule will look like.

Mr. Michael Harris: Back in March, the Premier came to Kitchener-Waterloo, in front of the chamber of commerce, and committed to providing two-way, all-day GO train service. In fact, your predecessor, Minister Murray, said during the election that it could be done within five years. Would you concur with his remarks that, in fact, two-way, all-day GO could be delivered within five years?

Hon. Steven Del Duca: One of the things that I try my best to do at every opportunity, when I have the chance to speak about the overall plan we have for the entire system, is to make sure that everyone understands—it doesn't matter which line or which part of the region we're speaking about—that we are committed to the goal and to the objective. We are going to get the work done.

I also try to explain as best I can—because over the last four months, since becoming Minister of Transportation, I've learned more and more how enormous the task is. There's a significant amount of preparatory work; there's a significant amount of hands-on, logistical infrastructure capacity-building in order to deliver on this. That's why we put the plan in place that will deliver this over the next decade.

It may very well be that on a particular line—including, potentially, the Kitchener line—service will be there within that five-year time frame you've referenced in your question.

Again, the work is ongoing in terms of—

Mr. Michael Harris: What needs to happen—for instance, on the Kitchener line—to get things prepared for two-way, all-day GO?

Hon. Steven Del Duca: In a second, the deputy or some of the other team here can perhaps provide a little bit more information around the specifics. But the thing to keep in mind about what we're looking at with respect to all of the lines is that, again, the commitment is two-way, all-day GO, at up to 15-minute intervals, electrified. I'm sure you and others on this committee and people in your community would recognize the enormity of that task.

When I think of the Barrie line that runs through my own community—a line that's 100% owned by Metrolinx, from Union all the way up to Barrie—it's a single track, for example, right now. I'm talking about the Barrie line. It's a single track. To deliver two-way, all-day GO in a corridor where there's essentially one track would require—and I don't say this as any kind of expert; I say this just as a layperson—a second track, of course. You can't run trains both ways with one track, right?

0910

Mr. Michael Harris: Let's hope not.

Hon. Steven Del Duca: Yes. That's just one example of the kind of work that needs to take place when you're building out the electrification, when you literally have to produce and supply the power to a line, when you have to run the catenaries, as they're called—the overhead wires, essentially. You have grade separations. You have a number of bridges. You have a number of places where trains intersect with other forms of transportation—roads, highways etc.—that are currently built for a certain capacity.

We have a relationship, obviously, with CN and CP along a number of our corridors. We've had some very good news recently, of course. I'm pretty sure you're aware of the fact that not that many weeks ago I was really happy to announce the purchase of an additional 53-kilometre section from CN, which will help us in our plan, in our commitment to deliver on the two-way, all-day service.

That's a very, very high-level sketch of some of the work that needs to take place. If you want more detail, we can go into it.

Mr. Michael Harris: Perhaps I'll ask about that later. I think the big question, when I speak to folks in my riding or even across Ontario, is what you would define, actually, as two-way, all-day GO. What would you tell people if asked, "What is two-way, all-day GO?" What does that mean? Lay it out. What does that mean? Define two-way, all-day GO.

Hon. Steven Del Duca: Perhaps you can elaborate exactly on the question, because the title itself—two-way, all-day GO—would be somewhat self-explanatory.

Mr. Michael Harris: Define how many trains would be all-day, two-way GO.

Hon. Steven Del Duca: How many trains? So again—

Mr. Michael Harris: Going east and coming west, in a day. What would that look like?

Hon. Steven Del Duca: I think it's probably helpful for me to talk a little bit, as I answer this question—and perhaps the deputy or others could jump in a little bit after I've said this—think of the Lakeshore line, which is GO's busiest corridor, Lakeshore West and East. Not that many months or years ago, we had a more traditional service running along Lakeshore.

What do we have today? We have trains that run at 30-minute intervals along Lakeshore West and Lakeshore East. We will continue to see, over the course of the next year and in each successive year, with the work that's being undertaken, once that business case analysis is done, once that evidence has been brought to the table, the stuff that I mentioned a second ago that MTO and Metrolinx are working hard on: We will see additional service come online. We will see the two trains in the morning and the two trains in the afternoon that I talked about a second ago in Kitchener. I believe the goal, certainly from my perspective, is that communities will see increased service over a time period until we get to the point at which we're able to deliver fully because we will have completed all of the infrastructure, the technical, literal, physical work that's required to deliver on this. That work is ongoing.

I'm not sure if the deputy wants to jump in and talk a little bit more about some of the specifics.

Ms. Carol Layton: Sure, I'd love to jump in. I go back to what's actually posted on the Metrolinx website from the September board meeting. It's a very rich document. I really would recommend that you take a look at it.

If I could just give you an illustration: The minister spoke about all the road rail separations, the grade rail, the catenary system, the power station and substations—all that has to be considered. Right now, we do have two-way, all-day service on the Lakeshore line—Lakeshore West, Lakeshore East—and that's 30-minute service. What has to now be considered, all on a rigorous business case rationale, is where along that line do you provide all-stop service versus non-stop; so where express is and where it's not.

This is actually up on the website, and they've unpacked it for all seven lines. Just to give you an example, for the Lakeshore West corridor, there is currently a total ridership of 60,000 per weekday. This is based on a 30-minute service and 90 total trips per weekday. That's 177 kilometres of track.

But what they've identified, again, in a public document, is possible rail-to-rail grade separation at Hamilton junction and one new track required along much of the corridor. Right now, Metrolinx does own 80% of its track, but that other 20% is in pretty critical areas.

A good example is actually the Kitchener one. With the 53 kilometres that was bought between Georgetown and Kitchener, there still is a good segment right in the middle, between Bramalea and Georgetown, owned by CN. Often, if you're listening to the radio, you're commuting in and you hear about a delay on the Kitchener line, it's usually because they're waiting for a freight

train for that schedule. That's important as you think about that assurance of reliable express service, and reliable service generally, not just two-way, all-day, because we also have a fare guarantee. So that's a great example where track ownership has to be considered or certainly just really, really good agreements. I guess the point—

Mr. Michael Harris: So just to get clarity, then, on the Kitchener line, for instance, two-way, all-day GO: You're talking about 15 minutes, and that would be defined as a train leaving every 15 minutes eastbound and then a train leaving westbound every 15 minutes from Union?

Ms. Carol Layton: The extent of how this will all be determined, again—and that's a very long line. I take it a lot. It's a two-and-a-half-hour trip right now to Kitchener from Union Station. Again, the phasing of it and what has 15-minute service—just like you've described, meaning trains leaving every 15 minutes from any of the stations. So what set of the lines has that? What stretch of the lines has that as we phase it? Which ones would take a little bit longer because of the issues around things like corridor ownership and extensive infrastructure that has to be required? You can't underestimate a train that has to stop at an intersection. You have to think about all of that.

So, again, that's a pretty good illustration of the scope and the scale of the work that's exactly being worked through right now so that there can be better clarity of exactly what can be expected and when. That will be determined in the coming months, really, as we head through different meetings of the board and, certainly, briefings of the minister.

Mr. Michael Harris: That promise was made by the Premier in March, coming to Kitchener-Waterloo, so we would hope that there has been some information provided to her that would help make her decision to commit to two-way, all-day GO on the Kitchener line within the next 10 years.

You purchased the property that you've just mentioned. What else actually has to happen? You're saying that another track will need to be built entirely. You just spoke to the disruption along the line by CN. So another line will need to be built if you're going to provide trains coming from Toronto to Kitchener in the morning. Is that correct?

Hon. Steven Del Duca: In some cases there are, on the Kitchener corridor specifically—and this is the work that is ongoing between the ministry and Metrolinx around determining exactly how much more track needs to be built in every single case. It's a fairly complex process, but there is a lot of other work that needs to happen.

I don't think that there's any way for an individual to sort of sugar-coat this, and I've said this as many times as I can: There is a considerable amount of work, but we have a 10-year horizon. At least in my four months or so since becoming the minister we've seen progress almost monthly around putting some of those really important fundamental pieces into play to make sure that we can

deliver on this, but there is more work that needs to be done. It literally does not matter about which line we're talking about. There is a significant amount of work that needs to take place.

Having said that, there is the capacity and there is the expertise both at the Ministry of Transportation and Metrolinx, and in both of those organizations, let's call them, or entities, there is work that is taking place right now to make sure that the plan is there based on the technical analysis, based on the business case, the research, all that other stuff that I've talked about, so that we have an implementation plan that makes sense. Over those next few months when we're able or we're in a position to say exactly what the plan will look like, we can literally tell communities, including Kitchener, "This is what we anticipate the future will look like as we roll out more service."

Mr. Michael Harris: Now you talked about all the things you need to do—a business plan etc. You're saying none of that's done as of yet.

Hon. Steven Del Duca: No, I'm saying it's ongoing. It's well under way and it is ongoing.

Mr. Michael Harris: Because the Premier did come to town and commit to this. I'm just wondering what information she would have had from the ministry or Metrolinx to make that commitment.

Hon. Steven Del Duca: Sorry. Was there a question?

Mr. Michael Harris: Yes, there is. You talk about a business plan forthcoming to do this, but at the same time, the Premier was in Kitchener-Waterloo back in March to announce that this would happen. I'm just wondering what information she would have had from the ministry or Metrolinx in order to make that commitment to the people of Kitchener-Waterloo.

0920

Hon. Steven Del Duca: I think there are a couple of things. This kind of came up in some of the questioning last week from members of both of the opposition parties. I think we have to remember—this is really important—that part of the business we're in, regardless of what party we represent, when we go out to respective communities and we talk about a plan—I think of my own experience over the last two years as the MPP for Vaughan. When I got elected in 2012, there was no provincial commitment, with a firm timeline, to build the Highway 427 extension. Because of, for example, in my community, our government's commitment to infrastructure investments and transportation investments, and because, I'd like to believe, I was successful in advocating as an MPP for our community, I was able to say to people when I ran in 2012 in Vaughan, "I believe in the importance of the 427 extension. I'm going to fight as hard as I can for it because I know it makes sense."

Similarly, you would understand, as a veteran member of this Legislature, that there are a lot of commitments that governments make, that parties make, that individual MPPs make that are aspirational in nature, because there's a strong sense that we need to deliver on these things. When you factor in what the commute must be

like for people living in your community, or people who live in Cambridge—like my parliamentary assistant, my good friend the new member from Cambridge—and others, we know that more work needs to be done.

Mr. Michael Harris: I think people in Kitchener-Waterloo, when you say this is an aspirational commitment—you've got a track record of not delivering out there—

Hon. Steven Del Duca: Obviously, we're going to disagree on that point.

You're asking the question: Was all of the work, all of the evidence, and every single thing undertaken to the finest detail, to the most granular level, before the Premier and others may have gone out in the past and said, "If I continue to serve as Minister of Transportation"—my predecessor, I'm speaking of, or local MPPs from the area, including the former member from Kitchener Centre, the current member from Kitchener Centre—"we believe, we're hearing from the community, we have an ambition to deliver on significant investments." That's the information that helped form the basis for our 10-year plan, the \$29 billion that we talked about repeatedly—the \$29-billion plan that the people of Ontario, including many people in Kitchener-Waterloo, endorsed in a significant way on June 12.

It now falls to me, in my responsibility, working with your community and other communities and my colleagues in government, to actually deliver on these commitments. That's the work that we're focused on going forward.

When I'm able to stand and make an announcement that Metrolinx has purchased 53 kilometres of additional track on the Kitchener line, that's a significant milestone that will help us deliver on this commitment.

The genesis of your line of questioning today was, "When can people in my community expect to see this service?" My answer back to you, which is completely consistent with what I said last week, is, that's the work that we're doing right now—not the "if," but the plan around the "when," so that we can say to people in Kitchener-Waterloo and elsewhere, based on all of the work that needs to take place, based on all of the other factors that are in front of us, and based on the evidence, "We expect to deliver increases in service in the following way, and at this point you can expect to see what this will look like." That's the work that's ongoing right now.

The Chair (Ms. Cindy Forster): Mr. Harris, you have two minutes.

Mr. Michael Harris: In 2007, they committed to four trains in, four trains back. In 2010, it was the then transportation minister, who is now Premier, who actually cut that back to two in, two out. So there's a bit of a trend in the fact that the government, the Liberal Party, comes out to Kitchener-Waterloo and makes these promises or commitments and then they don't follow through on it. That's why, repeatedly, your members are asked when they can expect this.

You would think there would be a plan that you're executing. If you're randomly buying property—you

should know what you have to do to get this done. There should be a plan already in place. You've been in government now for 11 years, and you're vague on the definition of two-way, all-day GO. I know people in the region of Waterloo expect two-way, all-day GO to commence a lot sooner than 10 years; in fact, they have Minister Murray on record as saying it should take five.

I was simply trying to get clarity on what is next, what has to be done, and if they're on time, in terms of acquiring properties, building a second track, electrifying, all these things. I'm just trying to get some clarity out of you to explain to folks what the plan is that you're executing. If you're buying land, there must be some sort of plan you're following—

Hon. Steven Del Duca: There is. I sincerely respect your—

The Chair (Ms. Cindy Forster): Minister, you only have 30 seconds.

Hon. Steven Del Duca: Thanks, Chair.

I sincerely respect the fact that you're doing your best to represent your community here on this committee. I get it. I'd be doing the same thing if I was in your shoes. But, again, your original question here today, which kind of produced a series of subsequent questions, is, "When can people in my community expect to see what you've committed to?" My answer remains the same at the end of this 20-minute session, and it will be repeatedly the same. The commitment is that we're going to do this across the entire network over 10 years. It may very well be in the fifth year; it may be in the seventh year; it may be in the fourth year. Because the work hasn't been completed around the technical analysis and the business case research, I'm not in a position today to give you the exact answer. What I can tell you is that our commitment is to produce or provide two additional trains in the morning and two additional trains in the afternoon by 2016.

We are working in an ongoing, deliberate fashion to be able to deliver on all of these commitments, and I'm extremely confident, knowing the team at MTO and Metro-linx and our government, that we'll get the job done.

The Chair (Ms. Cindy Forster): Thank you.

Third party: Mr. Cimino, you have 20 minutes.

Mr. Joe Cimino: Thank you, Chair, and good morning, Minister and staff and colleagues.

Hon. Steven Del Duca: Good morning.

Mr. Joe Cimino: Minister, I don't think it will be any surprise to you that I'm going to start my first lines of questioning in terms of winter road maintenance, being a representative from northern Ontario, but it definitely affects the entire province.

My first question is in terms of why the government has not—and perhaps they have plans to—improved service levels to remote northern communities, especially when those roads are the only way in and out of a community. I think in particular of Highways 105 and 502, 105 being the only real route in and out of Ear Falls and Red Lake. Are there any plans to increase service

levels to these one-way-in-and-one-way-out types of communities? If not, why not?

Hon. Steven Del Duca: When you ask for increased service levels, can you clarify? Do you mean more winter maintenance for those particular roads? I wasn't sure.

Mr. Joe Cimino: Yes, I'm referring to more winter maintenance. So in terms of—and I'll get to that in my next line of questioning—right now, we calculate the amount of service levels, whether it's an eight-hour response, a 12-hour response etc., based on vehicle volumes. That doesn't work in some areas, including in what I just described.

So is there a plan, or why haven't you increased service levels to those areas when it's the only way in and out?

Hon. Steven Del Duca: Right. Thanks very much for that question. I know that the deputy and some of the other team here will perhaps want to get into some of the specifics.

But if I can just say that I think everyone here recognizes that we had a very difficult experience in northern Ontario and in other parts of the province last year with respect to winter maintenance. There are a variety of opinions about exactly why the experience was perhaps less than satisfactory for some members of the north and some members of the south.

I know, having come into the portfolio relatively recently, not having experienced first-hand as the minister exactly what took place last year but learning very quickly, that the Ministry of Transportation, working with our contractors, those who are actually doing the work, and staying in fairly direct contact with communities like the one that you represent and some of your colleagues represent—that we certainly needed to raise our game, and I don't mind saying that.

I think what you see is, starting last year with the roll-out of additional equipment and resources for northern Ontario and rounding out with the announcement that I made last week around what we plan to do going into this coming winter season, in southern Ontario we have 50—I always get the 50 and the 55 confused.

Ms. Carol Layton: It's 55.

Hon. Steven Del Duca: It was 55 new pieces of equipment last year that were rolled out in February, primarily for northern Ontario, 50 new pieces of equipment that are rolled out this year for southern Ontario, specifically for ramps and shoulders, but also the additional 20 new inspectors who will be on the ground working with communities to provide direct feedback.

So I think it's important to recognize that, notwithstanding how severe the weather conditions were last year, there was a recognition on the part of our government and the ministry that we needed to bring additional resources to bear, which I think we've done—

Mr. Joe Cimino: So these extra resources that you talk of, are they—and a majority of the ones that were purchased last year, the combination plows and the tow plows in northern Ontario: Are they being allocated to these rural roads, for example, that are the only way in and out of a community?

Hon. Steven Del Duca: The deputy and the—

Ms. Carol Layton: Sure. I'll turn it over to Gerry Chaput, who can speak about that—because what you are actually talking about is the class of highway. With each class of highway, as you know, comes a different performance standard. You know that really well.

But I also just wanted to flag the extension of the season for studded tires, which is another factor certainly for northern Ontario as well, which is in effect now.

I'll turn it over to Gerry Chaput.

Mr. Joe Cimino: With all due respect, studded tires are great, but when we get those winter storms up there, I don't think those will even help you get through—

Ms. Carol Layton: It was an incredible winter last year. No one would deny that either.

0930

Mr. Gerry Chaput: There's lots of questions about the standards—I'm sorry. I'm Gerry Chaput. I'm the assistant deputy minister of highways. Maintenance falls under my envelope.

On Highway 105, I think you'll be seeing that—it's a class 4 for the majority of the highway or almost half of the highway and class 3 as you get closer to Red Lake.

The complement that you're talking about, where the minister has mentioned we added 55 plows—sorry, 55 additional pieces of equipment. It's a mix of plows, spreaders, combinations units and trailer plows. It's possible they have been added there. I don't have the specific details. Those additional pieces of equipment were added to increase the level or improve the level of service on truck-climbing lanes and passing lanes. Indeed, if there are truck-climbing lanes and passing lanes, which I expect there are on those two routes, those plows would have been allocated to those additional lanes.

What we did by increasing those numbers of units was of course allocate to those truck-climbing lanes and passing lanes, but also make them available for other routes along the way and increase the level of service in general. Although we did not change the class of the highway, they actually have an improvement on the level of service of those two highways as well.

The other thing to recognize is that yes, we do base our maintenance practices on volumes. That's consistent with other jurisdictions in North America. Our standards are among the highest in North America. I think you'll find some jurisdictions that actually don't have standards or have very lax standards. In fact, some will have a standard that, "That's a highway I get to charge overtime for. That's a highway I don't."

We've taken a very scientific approach, an approach that's been in place for several decades and which we've been using quite successfully.

Mr. Joe Cimino: And that flows right into a question I was going to have later on, but I'll bring it up now. Coming from municipal government, we use volumes as well, and we have five classes of roads. I'm looking at a presentation—I attended a teleconference on August 26. It was a teleconference of northern MPPs, I believe, at 1 p.m. I had it in my office. I think it as Kevin Bentley—

Ms. Carol Layton: Yes, and he's here.

Mr. Gerry Chaput: Yes, and Kevin's here today.

Ms. Carol Layton: Kevin's here.

Mr. Joe Cimino: It was a good presentation. Slide 3 shows a chart where you have the classes of roads. In northern Ontario, class 1, more than 10,000 vehicles; class 2, 1,500 to 10,000; class 3 etc.

You just said that service levels might—you're still using this chart, these standards, to respond to, say, Highway 105.

Mr. Gerry Chaput: Yes.

Mr. Joe Cimino: It doesn't necessarily mean that the time in which a piece of equipment gets there is going to be increased.

The question I have is, is there any other research in terms of using other standards for which roads get done first? What I mean by that is there are other factors besides volumes of vehicles. There's the amount of transports. In northern Ontario, there are logging trucks, there are slurry trucks, there are trucks carrying nickel pellets. They're massive, and we're talking about extending the length of transports in the next couple of weeks.

The issue is, volumes are one criteria, but what about the width of a road? Highway 144: no shoulders, two lanes pretty well all the way from Dowling to Gogama and beyond. And the southwest bypass in Sudbury, where there are numerous accidents and fatalities: I won't get into naming names—I don't want to dredge up those sad thoughts—but there you have the southwest bypass, where there are two residential streets that intersect. There's been a plan on the books that hasn't happened yet where it's supposed to be four-laned and there are supposed to be two flyovers, one at Southview and one at Fielding. So there's an indication from the government that there is an issue there. There is an issue in terms of the safety of the bypasses. It's dangerous. I don't know what class it is, but the southwest bypass is not plowed as a class 1.

What other criteria—I need some proof that this is the best way to determine which roads get plowed first.

Mr. Gerry Chaput: I think there are two things to consider there. You've mentioned the concerns with safety and the actual road itself—the physical infrastructure, its cross-section, how wide the lanes are etc.

Ontario does have the safest highways in North America, or among the safest highways of North America. We've been ranked either in the top three or two for several years now. A lot of the engineering that we do, the investment we make in our northern highways—it's over \$500 million this year—is to address those issues, to make sure we have truck-climbing lanes and passing lanes in the right places, to ensure that we have intersection improvements and good pavements that we can use.

In terms of the other factors that we consider, yes, volume is primarily the key one. We do have conversations with the local areas. We are understanding of school bus routes, of the economy of northern Ontario and of the chip trucks, or whatever it might be, travelling on those

routes. At times, we'll get into discussions with private industry to see if they wish to supplement the equipment, either financially or through another piece of equipment on their own, and that will ensure that the goods and services are travelled.

I mentioned the additional pieces of equipment, and, yes, we did not change the class. But by increasing the number of pieces of equipment, it increases our availability and the opportunities to have more plows running over the same section without changing the class, but allowing the service to be increased by that—

Mr. Joe Cimino: So when you say it's for the service to be increased, we're not talking about circuit times, though. We're not talking about the time—30 minutes after a snowfall or snow event—that that piece of equipment will get there, and I think that's the issue.

Mr. Gerry Chaput: What I'm looking at is, if you have a section of highway that had a passing lane, before there was only one plow travelling. Now, because there are two or three passing lanes along that section, there will be two plows travelling, one to pick up the passing lane and truck-climbing lane and one to pick up the main line. Now that truck-climbing-lane plow or that passing-lane plow isn't going to be idle or just going out for those lanes; they'll pick up side roads, they'll pick up additional—on the main line, when they're going through, they'll put their blade down.

Mr. Joe Cimino: Can we have information in terms of where these extra pieces of equipment—and I'll ask in a written response or whatnot so we can move on—where the government foresees or the MTO foresees these vehicles—obviously it has a plan—are going to be used?

Mr. Gerry Chaput: Sure. Yes, we can take that back and give you a full update as to where those plows and spreaders and tow plows are located or those combination units are.

Mr. Joe Cimino: Excellent. Moving on: I'm looking at an article, Minister, from CBC, and it's the Morning North show out of Sudbury. They published an article online September 29, and it was entitled, "Fines for MTO Winter Road Maintenance Contractors Top \$650,000." I'm sure you know, it was actually \$656,750, and \$392,750 was one contractor that does my area.

I guess the question is, then, has the ministry, when they set these fines—obviously they're pre-set in the contract, I would assume. Are the fines high enough to deter or have people fulfill the obligations of the contract? If they're supposed to be out within 30 minutes of a snowfall—because one of the big fines was \$72,000 for not deploying equipment within 30 minutes after the start of a snowfall. Are the fines big enough to have the companies understand that if they don't follow what's in the contract, they're actually going to lose more than what they would make if they followed the contract?

Hon. Steven Del Duca: I'll start answering the question to give you and the rest of the members of the committee a bit of a sense of my own perspective. Again, not having been in this role during last year's winter season itself but coming into it and having the opportunity to be

briefed by the team at MTO that works on this stuff first-hand, and also having the chance to have spoken with representatives from both individual area maintenance contractors, of course, and the association representing that particular sector, I think what's really important for people to remember is that we, certainly at MTO, understand. This is why we've brought those additional resources forward, both starting last year and again—just last weekend when I announced them between the additional pieces of equipment and the inspectors.

There is an understanding from the conversations that I have had directly with that sector that we all need to do the very best that we can for people right across Ontario. One of the reasons that we are deploying the 20 new inspectors is to make sure, for example, that, among other things, among wanting to have somebody on the ground to see what's taking place in communities, that our area maintenance contractors are fulfilling or meeting their contractual obligations and having that set of eyes close at hand throughout this upcoming winter season. But from my perspective, it's a partnership; right? It's a partnership between the Ministry of Transportation, the contractors themselves, and I also think it's fair to say—and I did say this in my remarks when I made the announcement a number of days ago around what we're doing a little bit differently for this upcoming season. The primary responsibility, yes, or partnership is between the ministry and the area maintenance contractors to make sure the work is getting done according to the contract.

But I also want to make sure that drivers themselves understand that we all have a responsibility, especially as we're preparing for what may or may not be a very tough winter from the perspective of weather conditions, to make sure that we take into account what the conditions are.

0940

Mr. Joe Cimino: And that's fine; I agree with you.

Hon. Steven Del Duca: As the minister, it's important for me to remind people to drive according to the road conditions and plan the route in advance. I've certainly had the chance to hear from people in both the north and the south, and they understand that, but I want to make sure—

Mr. Joe Cimino: But are the fines hefty enough to make sure our partners in the private sector fulfill their obligations?

Hon. Steven Del Duca: Well, the deputy or Gerry can speak a little bit more specifically to the fines. What's important to me is to say—you know, fines are one thing. The stick is important, but the fact is that for many, many months now, throughout last season and the end of last season forward to this season, there have been a number of discussions and conversations. I have no doubt, based on a combination of those fines from last year and the work that has taken place between the ministry and our area maintenance contractors, that they have a very clear sense of exactly what the Ministry of Transportation's expectations are, and what their contractual obligations are as well. And the idea that we will have those 20 additional inspectors this coming season means they know—

and rightly so—that they are being watched closely to make sure that they perform according to their contract.

Mr. Joe Cimino: And that brings up a whole thing. Maybe the deputy can respond, because again I ask, are the fines enough? Because it is a stick.

Hon. Steven Del Duca: So your question is, are the fines enough? With the greatest of respect, that's not really an objective question. That's more of a subjective one: Are the fines enough? My answer is that ultimately, if you don't have the additional resources, if you haven't done the work over the last number of months, if you haven't worked hard, as the team at MTO has, to make sure the relationship is where it needs to be, then ultimately I'm not convinced, necessarily, that strictly having the stick is the only way to deal with this. If it was, then there are lots of other issues, cutting across lots of other areas of life, that would be fixed.

What's important to me is that, yes, when contractual obligations are not being met, there are penalties that will be brought to bear. But at the same time, why we took this back, why we are deploying and have deployed additional equipment, why we are taking into account all of the changing circumstances, being prepared for the upcoming winter season—to me, it's the combination of everything. Right?

It doesn't mean we can't keep working on it; it doesn't mean we can't continue to improve it. Everyone should understand—I'm pretty sure you do as well—that we take very seriously at MTO the responsibility to make sure all of our roads and highways are properly maintained through all four seasons. Road safety is one of my most important priorities.

Mr. Joe Cimino: And I—

The Chair (Ms. Cindy Forster): Mr. Cimino, you have two minutes.

Mr. Joe Cimino: Oh, that's it?

I do respect that, and we're here for the same reason.

Hon. Steven Del Duca: Absolutely.

Mr. Joe Cimino: But there is the issue with—I had a couple of bigger questions but I'll go to this, and maybe if staff wants to respond. I assume that these contracts were issued through an RFP process. So some of the criteria, prices—

Mr. Gerry Chaput: They were tendered competitively. It was not an RFP.

Mr. Joe Cimino: Okay. So lowest price, then, wins out. And there's the issue, because I'm wondering out loud—

Mr. Gerry Chaput: Provided they meet the minimum standards.

Mr. Joe Cimino: Exactly.

Ms. Carol Layton: Performance expectations.

Mr. Joe Cimino: The nice thing about our RFP process, if we went that route, was that price is a factor, but there's also a methodology: How are you going to clear the roads within eight hours? How are you going to clear the roads in 12 hours? What type of equipment are you going to use? So methodology could be a bigger piece of the criteria. There could also be letters of recommendation from municipalities, maybe, that use the con-

tractors etc. That's what I was getting at. If it's just the tender, it's lowest price, and to me that's sometimes not the best way to go.

We've deployed all this extra equipment, 20 new inspectors, 50 new pieces of equipment last year, 55 this year, or vice versa—like you, I can't get them straight—and five new directors. I'm assuming the MTO or the government is paying for that; the taxpayers are paying for that. So is the privatization working? Is this saving us money? That's a big question. You're not going to answer that in 30 seconds.

The Chair (Ms. Cindy Forster): You have one minute.

Mr. Gerry Chaput: I think it all feeds into the same issue. We want to provide the best services with the best value to the taxpayer. When we're tendering anything, whether it's a construction contract or a maintenance contract, there is allocation of risk, and we want to ensure the risk is allocated to the party that is best able to manage that risk.

If you increase your fines to a level where you're basically transferring 100% of the risk on to them through that fine, you'll pay more money. In other words, we'll lose value to the taxpayers of Ontario by paying more money by having a higher penalty for a contractor.

If you have no penalty for a contractor, you're absolutely correct: There's no incentive for them to improve. There's no incentive for them to change their behaviour.

It's a fine balance between what we want in terms of performance and what we want in terms of value, as well as what the contractor is willing to accept as a level of risk and what they're willing to get paid for that level of risk.

The Chair (Ms. Cindy Forster): Thank you. Government members: Ms. McGarry, 20 minutes.

Mrs. Kathryn McGarry: Thank you very much. Minister, as you are aware, in March 2014 we announced that all-day, two-way GO trains would be coming to Waterloo region, and the work commenced to be able to start that detailed work.

I was really pleased to see our government deliver on bringing GO trains to Waterloo region a few years back and establishing not only the ridership but also giving our area businesses and residents the transit option of being able to get in and out of Toronto.

Certainly, a number of folks who are my colleagues in my former work, and families, are utilizing that service. It has been a really good way of opening up our region, not only for the ability to commute to Toronto but also for area businesses to start looking at really establishing in Waterloo region, to be able to bring employees in.

What's interesting is that during the election and since the election, I have been meeting with a fair number of area companies that are actually picking up, in three different areas in the GTHA, employees who work in their companies in Waterloo region. They don't have the option right now of coming in in the morning, so they pick these employees up by bus.

As you know, we have a lot of IT companies, a lot of younger-employee companies, that have a fairly young

working population that would prefer—like my 20-year-old son would be doing if he was working in that sector—they want to live in Toronto and work in the region. The announcement of the all-day, two-way GO service would indeed allow those businesses to rely on the fact that they'll have a very good way of bringing employees into the region, not just by bus but to be able to have that transit option. I think it's a really great way of not only establishing transit options for all the right reasons, but also to be able to give our area companies the comfort that they will be able to have those transit options. It has certainly strengthened the business case for all-day, two-way GO service.

Interestingly, my daughter is reaching age 30 very shortly, and she's one of that generation that has just been written about that is actually driving less and using green transit. She lives up Avenue Road and cycles to her job at U of T, and she's now setting up for winter cycling. When she comes out to the region, she either rents a car or takes a bus. She's all excited about the all-day, two-way GO because it would be an easy way for her to get to see some of her friends there. So I really am pleased to see the all-day, two-way GO service coming to K-W.

I think that what is important, when I've been meeting with area companies and talking to constituents, is that as we know, any building project, whether it be a deck or sewing clothes or building a house, requires detailed plans. You have to set out those stepping stones to make the plans, get a building permit and gather your building materials, having budgeted when you're going to do that. Any building project takes those steps. I certainly understand that when we've committed to all-day, two-way GO service, it's going to be in a stepwise fashion.

When I am meeting with further companies, what I would like to be able to know is this: What is it going to mean, with this recent purchase of the 53 kilometres of track, in terms of our ability to fully deliver the all-day, two-way GO service?

Mr. Michael Harris: I think she's asking if you have a plan.

Hon. Steven Del Duca: Sorry?

Mr. Michael Harris: She wants to see the plan.

Hon. Steven Del Duca: I appreciate that question. It's a great question. I think there really is no way to overstate exactly what kind of positive impact our 10-year plan will have as it radically transforms not only GO, but as it radically transforms the entire greater Toronto and Hamilton area, including in communities like yours in Cambridge and Kitchener-Waterloo. It's from the perspective, obviously, of improving quality of life, because it will give thousands and thousands of women and men of all ages, in all areas of life—whether they're still working, retired, whatever the case is—that opportunity to travel, giving them so many more options and providing that degree of reliability, accessibility and regularly scheduled service.

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There's also an enormous positive transformative impact around what it will mean for the economy of your communities you referenced a second ago, but also

communities like Milton, Barrie, Newmarket, Aurora—the list goes on. It's a large and exciting opportunity for us to really provide that kind of boost, and that's really what is at the very heart of the commitment we've made, the commitment the Premier has spoken about.

We talk about additional trains, as you well know, that will be running into Kitchener-Waterloo, two more trains in the morning and two more trains in the afternoon, starting in 2016, which is consistent with the commitment that we've made repeatedly. That's something that the team at Metrolinx and MTO are working hard to deliver, and we will deliver on that.

But what's really important for me to repeat—and I apologize to committee members. I think repetition is a bit important when you are helping to make sure that everybody understands exactly what it is that we as a government are going to do in all of these communities, to recognize that is not a small undertaking. Whether you're talking about support for projects like the Waterloo rapid transit project, the ION project, or something in my community, Newmarket, Kingston, or wherever we're talking about, whatever part of Ontario we're speaking about, we here in the GTHA and Kitchener-Waterloo and elsewhere—because of extraordinary population growth, because of the dynamic economic environment that we find ourselves in, which is very positive and very good, when you see the growth, as you mentioned, of IT and all the other stuff, the high-tech stuff, that has occurred, that cluster that has occurred in the Kitchener-Waterloo-Cambridge area, lots of exciting things happening in Milton and elsewhere, by virtue of that population growth, by virtue of that economic evolution or revolution—we are playing a bit of catch-up. There's no doubt about that. That's why it was so important for the Premier to make a very strong, definitive and large commitment to investing \$29 billion over the next decade, \$130 billion when you cut across all forms of infrastructure, but specifically for transit and transportation. That's why it was so important. I really and truly believe that message resonated with individuals—I'm sure in your community; certainly in my own community as well. People understand the enormity of the challenge that we're facing.

There will be over the next number of years—any time you are in a community where there is significant infrastructure work taking place around transit or transportation, there are disruptions. I say this not because I'm looking to be popular. These kinds of disruptions don't make a person popular, but it's the only way for us to deal with it. So whether you're talking about the Eglinton Crosstown or the Viva BRT in York region or the ION project in Waterloo, people are excited because they see progress. But from time to time, I understand and respect that there's a bit of frustration around, "What does this mean? What will the impact be?" I think we all have a responsibility. It's clear to me that not only members of the government caucus, but certainly members from the opposition caucuses who speak so passionately about what's taking place in their communities—we should all be working together to make sure that while we're

delivering on these commitments for people, there's an understanding of exactly how significant the challenge is and that we are finding creative ways to explain what those disruptions will look like to people living and commuting in communities, but with a view to making sure they understand that the end result, the goal and what we will provide to them, to their neighbours, to their friends and families, is better choices, is that opportunity for your daughter or for others like her—for my younger brother or for my daughters, who I referenced in my opening statement last week—who I want to make sure grow up in a region that provides them with multiple choices.

I felt compelled many, many years ago. There was really only one option if you were going to live in the outer 905 and you were going to work and go to school in Toronto. There is only one option—at least there has been for many, many years. Now we have a lot more options. In 10 more years, we're going to have significantly more options, so that a person living in Newmarket–Aurora can say, “You know what? I don't have to own a car. I can live in Newmarket–Aurora,”—a beautiful community with great political representation—and I can work in downtown Toronto or go to school in downtown Toronto, and I don't have to own a vehicle.” It saves them money, and it's better for the environment and better for the economy.

It's a big challenge, but it's a challenge that certainly the Premier and our team are up to, and we will deliver, incrementally, more service as we get to where we need to be in that decade.

Again, those two additional trains in the morning, two additional trains in the afternoon, the purchase of more track, the grade separations, the railroad separations, the electrification, all of the work, the power supply—this is what the team at MTO and Metrolinx is currently dealing with right now; and I look forward to being able to say more about this in the coming months.

Mrs. Kathryn McGarry: Another quick question as a follow-up: The 53 kilometres of track—what is the importance of having Metrolinx own that versus CN? What does it mean in terms of the actual physical capacity of the trains to be on the line and the wait periods?

Hon. Steven Del Duca: Not just with respect to that one particular section of track, but right across the entire network, I think, even as a layperson who's not a transit expert, and very few of us are, it's one of those things to remember that when you're in a situation where Metrolinx isn't the exact owner, you have to deal in the discussion—because when our rail companies are the owners, they obviously have a primary responsibility as corporate organizations to move their goods, to make sure their service is operating in a way that benefits them, their shareholders etc. That's their reason for being, and I respect that.

Metrolinx's reason for being around this particular item, this particular aspect is to make sure that we have a public transit—and that's their priority; it's the movement of the GO trains. When you're talking about CN and CP,

very respectfully, their primary responsibility is to move their goods, as I said a second ago. If you're CP or you're CN, and you own a track or a portion of track and there's an intersection—I don't mean that literally; I mean that sort of figuratively—and there is, let's call it, a gentle clash, a conflict, between what's the most important priority, public transit or the movement of their own goods, the movement of their goods, the scheduling for the movement of their goods will win because they own that piece of track, because they own that section of track and it's important to them.

The fact that Metrolinx currently owns 80% of the entire network is great news. That 20% that's left will be at the heart of an ongoing conversation that will take place between our government and Metrolinx and the rail companies. The more we own, the more we can deliver and avoid conflicts that would be resolved not in favour of the public transit portion, I guess is my roundabout way of answering that question. I hope it was relatively clear.

Mrs. Kathryn McGarry: Yes, and it is. Thank you.

Hon. Steven Del Duca: No problem.

The Chair (Ms. Cindy Forster): Mr. Dong?

Mr. Han Dong: Thank you, Madam Chair. How much time do I have?

The Chair (Ms. Cindy Forster): Six minutes left.

Mr. Han Dong: Six minutes, so I'll be quick. I ran into the member from Kitchener–Conestoga this morning, and he asked me if I have any tough questions prepared for the minister. I think previously we've been criticized for asking softball questions, so I'm going to throw him a curveball this morning, a change of topic a little bit. I'm going to be asking you about the Presto system, a bit more detail about the integrated system that we've been talking about.

If you remember, Minister, I spoke to you about this soon after the June 12 election, because I had conversations with a local councillor and that came up, the integrated fare system. I heard that you mentioned it during your opening statement several times and how important it is to our plan to roll out the regional transit system. I learned from the reading material that it's being widely used in Ottawa but not so much in Toronto. I think it's going to help the riding of Trinity–Spadina quite a bit—because we do have a station down at Exhibition Place. Currently, it's not very attractive for the local residents of Liberty Village. It's not a viable option to them right now. If they see quite a bit of congestion on King Street, the streetcars, they'd rather walk than take that option, because they have to pay twice, TTC and the other. I think if rolled out properly, the Presto system will not only help the residents in Trinity–Spadina but also the residents of, perhaps, my colleague the member from Parkdale–High Park, because by the time the streetcars hit Trinity–Spadina, it's quite full.

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I don't have much time, but I think you could appreciate that downtown living is quite attractive, very exciting, but at the same time faces quite a bit of challenges.

Congestion is the main cause, I think—that's what I heard—of stress of the downtown dwellers. I'm going to ask you about the Presto question. When are we going to roll out more aggressively for the GTHA when it comes to Presto, and how are we going to do that? If we have time before, please educate us a bit more about the Presto system.

Hon. Steven Del Duca: Sure. That's a great question, and even if I don't manage to get through my entire answer, maybe when we cycle back around again I can lead off with this, because it's a great and important part of my own responsibility.

When you were asking the question about Presto and the notion of fare integration or that idea of integrating fare and service, it brought to mind my own mandate letter that I received, of course, from the Premier a number of weeks ago. I took the opportunity to glance down at the second page, and I see near the bottom of the second page one of my specific priorities that is embedded in my mandate letter specifically says that our Ministry-of-Transportation-specific priorities will include "developing customer-focused solutions to integrate fare and service. Your goal is to create a seamless and transparent fare system across the" greater Toronto and Hamilton area.

Really and truly, whether you're talking about residents in your community of Trinity-Spadina or even those who use the GO service along the Barrie line, the commuters in my own community whom I've had the chance on many occasions to not only speak to, but speak to as they're standing alongside the machine where they tap their Presto card, to hear them tell me (a) about how happy they are with that opportunity to tap the card and (b)—I can see the thumbs up from the member from Newmarket-Aurora, because he's probably going to take out his Presto card right now and show, like the member from Mississauga did last week, how important it is and how well it works.

I think the good news is—and I don't want to understate the challenge that lies ahead because there is still significant work that needs to occur in order for us to be at a point where we have that fare and service integration that is in my mandate letter, but just a really quick update. As of September 2014, more than 1.2 million cards have been activated across the greater Toronto and Hamilton area and Ottawa—you referenced Ottawa in your question. That means there have been over 240 million taps, as we like to say, since September 2014, meaning also that Presto users to date have paid approximately over \$946 million in fare payments. I'm not sure how many of those fare payments were the member from Newmarket-Aurora, but I suspect a substantial portion.

The Chair (Ms. Cindy Forster): Two minutes, Minister.

Hon. Steven Del Duca: Thank you very much, Chair. By way of an update, the other thing to keep in mind is that the current rollout of Presto in the greater Toronto and Hamilton area includes municipal transit systems in Hamilton, in Burlington, in Oakville, in Mississauga and

in Brampton, the regions of York and Durham, 14 TTC subway stations and all GO Transit trains and buses. In Ottawa, it's obviously deployed by OC Transpo.

Just so you know, as well, because your question was to some extent focused, as it should be, on what's happening in Toronto specifically, Metrolinx is working to substantially implement Presto on the TTC by 2017. Not that long ago, when I had the wonderful opportunity of being in Trinity-Spadina to roll out the first replacement streetcars—it's also important to note that the first phase of the Presto rollout is beginning with what we call revenue service deployment on the TTC replacement streetcars and platforms starting in November 2014; essentially, starting soon, because we're almost in November.

The last thing I'll mention by way of a general update is that the TTC estimates that once Presto is fully operational, the savings on fare collection could be up to \$10 million per year.

I wanted to throw a bunch of information back to you before my time lapsed for this particular round, but I'm certainly happy to come back in our next round and talk a little bit more about some of the potential that lies ahead with respect to fare integration and Presto. But I really appreciate that question.

Mr. Han Dong: That's great.

The Chair (Ms. Cindy Forster): Thank you. The official opposition: Mr. Harris, you have about 10 minutes.

Mr. Michael Harris: All right. Well, just building off where we were last time on GO Transit, I know my colleague from Cambridge's daughter will want to know that within 10 years, she'll actually be able to ride the train from Toronto to Kitchener, and those businesses that she talked about, especially in the high-tech community of the region of Waterloo, will be making plans and, hopefully, will be able to bring people in, aside from riding the bus, within a decade.

The funding for the expansion of GO train to an all-day GO: Is that coming from the policy and planning capital expenses, or is that through the Metrolinx budget?

Hon. Steven Del Duca: I'll ask the deputy to respond to that.

Ms. Carol Layton: In our printed estimates, there's the base funding that we provide for GO. There was also, though, in the 2014 budget, as you know, a \$20-billion announcement for the dedicated funds, of which \$15 billion is for the regional express rail. That \$15 billion is sourced from different revenue sources that are going to come in, and that's actually clearly expressed, I think, around page 48 of the 2014 budget.

The money for the regional express rail—which means everything from, ultimately, electrification right through to new GOs, double-tracking, triple-tracking, whatever you're talking about—is not sitting in our 2014-15 estimates right now. That money is going to be provided through the allocation process. It's built into the fiscal plan, in a sense, on a 10-year basis. But our estimates right now have not been grossed up by that amount because it's exactly that detail that has to be worked

through, exactly what will be the increment this year in the context of regional express rail, and next year and years to go.

Mr. Michael Harris: So how much money is actually being allocated towards the expansion of that pot of money that you just referenced?

Ms. Carol Layton: So the—

Hon. Steven Del Duca: If I can actually—sorry—

Ms. Carol Layton: Yes, sure.

Hon. Steven Del Duca: —just so I can understand clearly what the question is. The \$29 billion that we talk about going forward, that \$29 billion that was included in budget 2014—and this might not have been completely clear in some of the back-and-forth last week—that's a plan to generate the revenues and invest those monies over the next decade. That's not what has already occurred with, notionally, the money is sitting somewhere. That's based on revenues that will be generated over that 10-year horizon from a wide variety of sources, some of which we talked about last week, some of which I know the Minister of Finance has talked about extensively. But the investments will also flow over those 10 years. So I'm not sure; I just seek a bit of clarity around the exact question.

Mr. Michael Harris: If you're talking about a specific expansion along a certain line, you'd allocate a certain portion of that money towards that. I'm just asking if you've done that and how much that would be.

Hon. Steven Del Duca: Part of the work that is being undertaken by the ministry and by Metrolinx is exactly what the two-way, all-day regional express rail delivery will look like in terms of all the work we discussed in the first round of questioning today, and also what we anticipate those costs will be, but the funding to put our government in a position to deliver on the commitment is provided throughout that 10-year horizon of \$29 billion.

Mr. Michael Harris: So when the Premier came to the region of Waterloo to make that promise, she actually had no idea as to how much it would cost, because that has not been done yet.

Hon. Steven Del Duca: Again, I'm going to answer that question by saying that my responsibility and what I'm here to talk about a little bit more today is where we were with respect to the 2014-15 printed estimates, but also, because a lot of the questions are prospective in nature, which I respect and I'm happy to answer, we're talking about sort of going forward—

Mr. Michael Harris: Well, no, your Premier, your leader, made a commitment and you're saying to me that—

Hon. Steven Del Duca: Right, and she also made a commitment to provide dedicated funding through various revenue-generating tools, for us to be transparent in how we raise and invest those, and that's the work that we're undertaking right now.

Mr. Michael Harris: But you just said that the work is undergoing—

Hon. Steven Del Duca: It is.

Mr. Michael Harris: —in terms of how much it will cost. So she made a promise without actually even knowing how much it was going to cost.

Hon. Steven Del Duca: No, that's not what I said at all.

Mr. Michael Harris: That's what you've just said. You alluded to the fact that the cost—

Hon. Steven Del Duca: No, I haven't said that. You may torque that and put it in a press release in 20 minutes, but that's not what I said.

Mr. Michael Harris: You're telling me that the work is happening in terms of what it costs. I'm asking you, would the Premier have known, and would the ministry have provided through Metrolinx, an estimate as to what that two-way, all-day GO extension would have cost before she made the announcement? I'm just asking a question.

Hon. Steven Del Duca: Again, not being in the position of the Minister of Transportation at the time when—

Mr. Michael Harris: Well, then I'll ask the deputy, because I know you've been around since 2010—

Hon. Steven Del Duca: Let me just finish, though.

Mr. Michael Harris: —what information would you have brought to the—

Hon. Steven Del Duca: This is an important point, though, because the team at Metrolinx has been working hard now for a number of weeks, months in fact, on exactly what this will look like. The monies that will flow from the revenue generation that we're going to be doing over the next 10 years—the \$15 billion for the greater Toronto and Hamilton area and the \$14 billion or so for areas outside of the greater Toronto and Hamilton area—will provide the support that we need to deliver on two-way, all-day GO service. The exact dollar figure, to the penny, of what it will cost to deliver it across all of our corridors, has that been finalized? No, and one of the reasons it hasn't been finalized is because, going back to what I said in our first round of questioning today, this is a significant transformational infrastructure project that we're talking about. The level of detail is significant. The level of the enormity of the challenge and the opportunity is actually quite breathtaking.

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What it will mean is that people living in your community, when it is fully rolled out, starting with two additional trains in the morning and the afternoon next year, in 2016—I mean next year or the following year—people will see that increased service, and they'll understand that the revenue we're generating and the support they are providing to their provincial government is providing them with tangible and positive benefits in their communities.

Mr. Michael Harris: Those two additional trains are actually six years late, because you promised them in 2007 and then you slashed them in 2010, providing only two—so those trains are six years late. That's why I'm asking you. You've got an array of commitments and promises that you've made, both in your Liberal platform and you reference them in your budget. I'm simply

asking again if you're going to go out and make these commitments and promises—and we all know that you've shortchanged our region in the past. You'd think you'd have some sort of budget. I'm not asking to the penny, but I would expect, and I think Ontarians would expect, that there would have been some sort of budget or plan that you can actually deliver prior to making the announcement.

That goes with the high-speed rail as well. You say that you can get it done within 10 years, and you released a report to justify that, and now we've seen nothing.

You've talked about these dedicated funds, so perhaps we'll go there, because I know you don't like being too repetitious, even though we feel we've really not gotten an answer out of you on a lot of these things.

The Chair (Ms. Cindy Forster): You have three minutes, Mr. Harris.

Mr. Michael Harris: You have indicated funding for transit projects both in and outside the GTHA will be distributed through two new transit funds. I was hoping you could elaborate on what the two new transit funds will be, perhaps.

Hon. Steven Del Duca: As I said before, what we have committed to and what we are delivering on, by raising these revenues in the transparent way that the Premier committed to, is roughly or up to \$15 billion that will be raised and invested in the greater Toronto and Hamilton area, largely for public transit infrastructure projects, and the up to \$14 billion that will be raised and invested in regions outside of the greater Toronto and Hamilton area, for a combination of public transit, transportation infrastructure and other important crucial infrastructure—

Mr. Michael Harris: Who will be administering those funds?

Hon. Steven Del Duca: Who will be administering those funds? I just want to make sure we get this part clear.

Ms. Carol Layton: Sure. In government, we're not siloed, so we work closely with our colleague ministry, the Ministry of Finance, and we work closely, also, with our newly constituted Ministry of Economic Development, Employment and Infrastructure. So the infrastructure administering, during the long-range sort of strategic infrastructure planning—the actual dedicated funds themselves will be designed in concert with our colleagues at the Ministry of Finance, because they're sourced largely from tax revenue sources, as well as some—and you'll see that on page 45 of the budget; it gives you all that detail.

But the funds, I would say, will be administered jointly between the Ministry of Finance and the Ministry of Transportation.

Mr. Michael Harris: So when will the funding for those transit projects actually begin, or have they begun?

Ms. Carol Layton: First of all, the minister did reference the online portal, the fact that there is going to be transparency, so the funds themselves are being established. Those revenue sources are being generated as we

begin, starting this fiscal year. But you can see on page 45—and I know that you've seen this page before—it gives you an estimate based on that \$29 billion over 10 years, an estimate of what would be the amount available this year for the greater Toronto and Hamilton area, and that's the \$1.7-billion estimate and \$1.6 billion for areas outside of the GTHA.

As the year progresses and as subsequent years come along, and through the fully transparent public reporting that we're doing both through public accounts as well as through the portal, you will start to see how those funds are going to be distributed on a project-by-project-by-project basis.

Mr. Michael Harris: When do you expect to see those funds commencing?

Ms. Carol Layton: I would say that every provincial budget, which of course is one of the most important documents of an administration in terms of transparency and accountability—

Mr. Michael Harris: Will they be drawn on this fiscal year?

Ms. Carol Layton: Sorry?

Mr. Michael Harris: Will they be drawn on this fiscal year?

The Chair (Ms. Cindy Forster): You have 20 seconds.

Ms. Carol Layton: We already have sitting in our budget right now about \$2.4 billion for all matters as they relate to urban and regional transportation. That is going to be happening, as well as the setting up of the fund. I can't predict the number; we're only halfway through the fiscal year, and as you can imagine, the budget was just passed in July. So the extent to which they will be drawn on in the fiscal year will be determined as this year continues to progress, certainly through the public reporting in the 2015 budget and, following that, in the public accounts.

The Chair (Ms. Cindy Forster): Thank you. We are recessed until after routine proceedings today.

The committee recessed from 1015 to 1600.

The Chair (Ms. Cindy Forster): Mr. Harris, you have 10 minutes in your rotation.

Mr. Michael Harris: Okay. Minister, we were talking about GO train service to the region of Waterloo. You may be aware that the mayor of Cambridge, Doug Craig, has been speaking about the need to bring GO train service to Cambridge for quite some time. In fact, the region recently did a study that I'm sure either you will have seen or you will see in the near future.

I'm wondering if you can tell the committee today if there are any plans by your ministry to perhaps bring GO train service to Cambridge within the next decade.

Hon. Steven Del Duca: That's a great question. I appreciate that.

Mr. Michael Harris: Thank you.

Hon. Steven Del Duca: You're welcome. In my time since first becoming the Minister of Transportation, I've had the opportunity to meet with literally dozens of municipalities and communities, including quite a large

number at AMO over the summer. There is tremendous excitement amongst a number of communities—

Mr. Michael Harris: I'm just asking about Cambridge now. We've got 10 minutes left, so—

Hon. Steven Del Duca: Yes, sure. But I think it's important for me to make sure there's a clear understanding that there are a variety of communities that have spoken to me and to other representatives in our—

Mr. Michael Harris: Let's narrow in on Cambridge for now.

Hon. Steven Del Duca: —including the MPP from Cambridge, who you know serves as my parliamentary assistant.

I haven't had the chance to speak directly with the mayor of Cambridge about this. What I have heard clearly from Ms. McGarry is that there's tremendous excitement because of the positive impact that the first phase of the Waterloo LRT, the ION project, as it's known, will have on that community. We—

Mr. Michael Harris: Well, the LRT's not going into Cambridge.

Hon. Steven Del Duca: I mentioned phase 1, but I can also tell you that I've heard very clearly from Ms. McGarry that there's a ton of excitement about the fact that that project will actually provide a tangible benefit to her community.

What I was going to say a second ago, and just so we are clear about this, is that phase 1 or stage 1 includes 19 kilometres of LRT from Conestoga Mall in Waterloo to Fairview Park Mall in Kitchener, and 17 kilometres also of adapted bus rapid transit from Fairview Park Mall to the Ainslie Street terminal in Cambridge.

Mr. Michael Harris: Yes, I know. I'm aware of that.

Hon. Steven Del Duca: So stage 1 of what we've invested and what we were there to break ground on not that many weeks ago does in fact have a direct, tangible, positive benefit for Cambridge as well.

There are a number of communities that have spoken to us about the possibility of expanding GO rail or GO train service. We're not in a position to make any final decisions about that at this point in time. I have conveyed that to Ms. McGarry. She's aware of that. She will continue to advocate, as I'm sure representatives from her community will, as they should—

Mr. Michael Harris: Sure.

Hon. Steven Del Duca: That is part of this process, but it is important to underscore from my perspective that all decisions we make regarding the implementation of the existing plan and any future expansions will be done in the context of or through the lens of the business case analysis that I've talked about extensively.

Mr. Michael Harris: I'm looking forward to seeing that business case.

Hon. Steven Del Duca: I know you are.

Mr. Michael Harris: In the May 2013 Metrolinx investment strategy, Metrolinx recommended that the province of Ontario consider adjusting the composition of the Metrolinx board of directors in order to provide municipalities in the GTHA with the opportunity to

nominate up to six citizen appointees to the board. I'm wondering if you can share with the committee today and elaborate on where the province is on actually changing the board of governors at Metrolinx.

Hon. Steven Del Duca: I'm very fortunate in that, again, over the last four months, since June 24, the day that I was sworn in to serve as Minister of Transportation, I've had the great opportunity to work alongside the current chair of the board at Metrolinx, Rob Prichard—

Mr. Michael Harris: Right.

Hon. Steven Del Duca: —and of course the senior staff who serve in various capacities at Metrolinx. While I haven't been able to get out, from a scheduling standpoint, to a board meeting to meet the entire group, I've had the chance—in fact, just last week at the Ontario Economic Summit in Niagara-on-the-Lake, I had the chance to sit in a round-table meeting with a couple of individuals who serve on that board. So there's a positive working relationship there and I'm very proud to say—

Mr. Michael Harris: Are there any plans for the government to change the board of governors?

Hon. Steven Del Duca: I'm just going to finish the sentence and pivot exactly to the narrow question that you're asking.

So I'm very happy to have the chance to work alongside this very professional group of individuals.

My understanding of the specific question you're asking is that it is something that is still under active consideration and no final decisions have been made. But regardless of how we go forward with that particular piece, the entire team at Metrolinx is working very hard, as I've said repeatedly, with senior officials and the team at MTO to make sure that, together, working with all of our municipal partners, many of whom are newcomers, some who were elected just last night for the very first time, to make sure that we're in a position to implement the plan—

Mr. Michael Harris: Good, because in that report, Anne Golden made a comment that the Metrolinx governance system continues to foster a lack of accountability and responsiveness to local community needs. So I would hope that you would take that recommendation and act on it, perhaps sooner rather than later.

On to Metrolinx, as I've got a few minutes left here: In January 2014, Metrolinx aired advertisements during the NFL conference championship games. I'm wondering if you could share with the committee how much the total cost of airing those ads was. Or, if it's something you can't give to me now, would you provide that to the committee?

Hon. Steven Del Duca: Yes. We'll take that back.

Mr. Michael Harris: All right. Have you had any emails or letters from Ontarians asking you what Metrolinx does and what in fact they're working on?

Hon. Steven Del Duca: If you're asking me personally if I've received those, I think that's—

Mr. Michael Harris: Since being minister, have you ever received any letters or emails—

Hon. Steven Del Duca: The Ministry of Transportation, or me personally?

Mr. Michael Harris: You, as minister.

Hon. Steven Del Duca: I'm sure you can appreciate that there is a large volume of correspondence that comes into a minister's office and there are multiple entry points for that. In fact, I would say again that, since June 24, on issues ranging from the possibility of investing in Hamilton LRT to what's taking place in Niagara to issues relating to GO service generally, I have personally received a number of emails from individuals who are very passionate about public transit and what's taking place with respect to how we're planning to go forward. Whether or not there's been a specific request made of me or a specific inquiry via email regarding Metrolinx is something I have to take back.

Mr. Michael Harris: Following up on that, I'm wondering if you could provide a total amount spent on Metrolinx's advertisements during the 2014 general election. I don't expect you to tell me now, but I was hoping that you could provide the committee—

Hon. Steven Del Duca: The 2014 general election—provincial general election?

Mr. Michael Harris: That's correct.

Hon. Steven Del Duca: We'll take that back.

Mr. Michael Harris: All right. How much money has been budgeted this year for Metrolinx's advertisements? Perhaps that's another request of you to bring back to the committee. How much has been budgeted this year for Metrolinx advertising?

Hon. Steven Del Duca: We'll also take that back.

Mr. Michael Harris: All right. I ask that because obviously Metrolinx's budget has been increased by \$25 million, but they of course need to find additional money for the wage hike for the GO bus operators and the ticket sellers. So I'm wondering if you can also tell us where, within the Metrolinx budget, they will accommodate the wage hike. I don't know if you know that now or if it's something that you can share with the committee. Recently, we know that there was an increase given. There's no new money, and I'm just wondering, from within the Metrolinx budget, where that additional funding will come from.

The Chair (Ms. Cindy Forster): Minister, you have two minutes.

Hon. Steven Del Duca: I know that when this issue first arose at some point over the last couple of months—I forget the exact point in time at which the wage settlement was reached—I had the opportunity to learn a little bit more about some of the internal efficiencies that Metrolinx was able to bring to bear so that they were able to provide for the terms that had been negotiated with their representatives—

Mr. Michael Harris: Will you share those efficiencies with the committee?

Hon. Steven Del Duca: I'll take that back as well.

Mr. Michael Harris: All right.

Hon. Steven Del Duca: There are a number of them, and I just, off the top of my head, don't remember them at this particular moment.

Mr. Michael Harris: Fair enough. Maybe I'll stop there. I know I have a minute—Chair, I'm going to defer

my minute to the next round. I'm going to leave it at that because I've got about a minute left.

The Chair (Ms. Cindy Forster): Okay.

Mr. Michael Harris: Add it to my back end.

Mr. Grant Crack: You can't do that.

The Chair (Ms. Cindy Forster): Is the committee agreeable to that suggestion that—

Interjections.

Mr. Michael Harris: Sorry? I'm just going to end my questioning at that because I'm going to move on to a new area of questioning.

The Chair (Ms. Cindy Forster): If the committee doesn't agree, then it goes back into the pot.

Mr. Michael Harris: Had they agreed or not?

The Chair (Ms. Cindy Forster): No. Have they agreed?

Interjections.

Mr. Michael Harris: Is that an agreement?

The Chair (Ms. Cindy Forster): Is it agreeable?

Mr. Han Dong: Sure.

Mr. Michael Harris: There we go.

The Chair (Ms. Cindy Forster): It's okay?

Mr. Michael Harris: One minute.

Mr. Han Dong: All right, Michael.

Mr. Grant Crack: You'd better be nice.

Mr. Chris Ballard: You're setting a precedent here.

Mr. Michael Harris: That was a tough decision, guys.

The Chair (Ms. Cindy Forster): Third party? Mr. Cimino? Twenty minutes.

Mr. Joe Cimino: Thank you, Chair. Thank you, Minister. I'm going to try to get off this winter maintenance section. I've got three questions left. Hopefully we can move through them and get on to some other topics.

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Hon. Steven Del Duca: Sure.

Mr. Joe Cimino: When we ended earlier today, one of the staff from MTO—

Hon. Steven Del Duca: Gerry.

Mr. Joe Cimino: Gerry. Thank you. We discussed—and I understand where you came from, Minister. You described it as the big stick: Are the penalties high enough for a contractor that does not meet the commitments under the contract to deter or maybe encourage the contract to be followed? The comment—and it was a good one, because the more risk to a company, i.e., higher penalties, the higher the contract will be. I saw that all the time at city council level.

My question is—and if you can comment on this. The penalties were kept at a reasonable level; MTO decided that this is the place where they should be in order to keep contracts at a lower level. But we've hired 20 more inspectors for oversight, which is good. We've hired some directors, five of them I believe. We had 50 pieces of equipment last year and 55 this year. Has the ministry taken a look at that cost? I'm assuming MTO picked up the entire cost of that expanded oversight and equipment. Where is that money found in the budget?

Ms. Carol Layton: Gerry, do you want to come up? Just to start in on that, the point that I'd make first of all

is that the issue of providing more staff dedicated to the winter maintenance—as you can imagine, it was an exceptional winter last year. We have confidence in the area maintenance contractors, but we certainly felt that we just had to augment our oversight of those contracts. So everything from the equipment—the 55 last year, the 50 this year—as well as the oversight that we're providing relative to the public safety that it provides was certainly money well spent in our mind. But I'll get Gerry Chaput to speak to some of the details.

Mr. Joe Cimino: I'm not looking for an expanded—but, yes, I absolutely agree with you: Everything is about the health and safety of our residents. But I'm just wondering about this extra oversight which is required, the extra equipment: That is an extra cost to the government, to the MTO—

Ms. Carol Layton: Which we absorbed within our—

Mr. Joe Cimino: And where is that, and do we know—

Ms. Carol Layton: We did not increase our budget. We did not increase our overall budget. We made sure that we were offsetting from other areas, but we can speak to the cost.

Mr. Gerry Chaput: For the personnel involved—there's only one director. He was already being paid at a director level and we just moved him over from his existing job to a new one. So we facilitated it from within. The five regional staff, the regional maintenance engineers, were also regional staff already existing that we accommodated or moved or changed their priorities to focus more on the maintenance. We did hire 20 new additional staff and we had budget for that.

Mr. Joe Cimino: You budgeted for that or it was within the budget? Sorry.

Mr. Gerry Chaput: It was in the budget last year—

Mr. Joe Cimino: Okay.

Mr. Gerry Chaput: —as a component, as well as the additional equipment. So the salaries, the additional equipment, advances to the equipment to improve their visibility, as well as public education campaigns, all of that was included in last year's budget. I believe the total was \$15.2 million for all of that. That was used province-wide. So it's not just specifically the equipment; it was salaries, equipment etc.

Mr. Joe Cimino: That \$15.2 million: Has that depleted another service or another program? I'm not a financial person. How flexible is the budget and \$15.2 million relative to billions of dollars in a budget provincially? So that money was just shifted from somewhere else, from another program or—

Ms. Carol Layton: I guess the point I'd make there is that where our budget is growing is where we have our statutory obligations, but when it comes to discretionary expenditures, in a sense—area maintenance contracts are contractual, so those we can't touch. But when it comes to how we're accommodating sort of a higher and better use of our staff complement, that, then, is where we try to work through the flexibility, for example, of attrition and other things to try to come up with our salaries and wage

budget to stay relatively flat. The equipment purchase that we accommodated would have been an incremental increase and appreciated by our colleagues at Treasury Board.

Mr. Joe Cimino: Okay. Thank you for that.

Just a quick yes or no answer: As this winter goes by and we take a look at, hopefully, improvements to the health and safety of our residents, is there an openness of the ministry, instead of going through an FOI process, to figure out where there were fines and how much? Is that going to be presented to the public or the critics?

Ms. Carol Layton: You're talking about the fines in particular?

Mr. Joe Cimino: Yes. It would be a good way to—

Hon. Steven Del Duca: If there are fines—

Mr. Joe Cimino: If there are fines at the end of this season, it would be good to gauge the improvements, right? So instead of a media outlet going for an FOI and six months later getting these numbers, is the public going to get that information?

Hon. Steven Del Duca: I think the one thing we have to bear in mind at all times is the potential for commercial sensitivity around some of these contractual arrangements or obligations. I'm not in a position to make a commitment around proactive disclosure of what might take place in the absence of knowing whether or not the commitment that I would make today would potentially violate or in some way negatively impact that commercial sensitivity.

Mr. Joe Cimino: You'll let us know, if it's not commercially sensitive, whether we can get those numbers?

Hon. Steven Del Duca: We'll take it back, yes.

Mr. Joe Cimino: Last point on winter maintenance, Minister: Can you give us—and if you can't do it now, maybe in writing—a breakdown of how much money is spent on winter maintenance, say, from 2010 to now? We just heard that there's \$15.2 million more this year for the oversight and new equipment. Is there a breakdown?

Ms. Carol Layton: We can take that back and—

Interjection.

Mr. Gerry Chaput: Last year, we were looking at approximately \$145 million.

Hon. Steven Del Duca: Some \$145 million, approximately, from last year.

Mr. Gerry Chaput: Yes, \$66 million in the north and \$78 million in the south, and that's strictly for the winter portion of it. Our maintenance budget is higher than that, but from a winter maintenance perspective, you're looking at approximately \$150 million.

Mr. Joe Cimino: And we can get back—

Ms. Carol Layton: You want it to go back to 2010—

Mr. Joe Cimino: Yes, please.

Now, if I'm correct, your ministry is not one of the ministries that has a 6% reduction imposed on your ministry?

Hon. Steven Del Duca: A 6% reduction in—

Mr. Joe Cimino: In your overall budget.

Hon. Steven Del Duca: This conversation came up as part of last week's questions and answers here at

estimates, and the deputy can clarify this, but it's—well, why don't you just jump in? It is a bit different for the Ministry of Transportation.

Ms. Carol Layton: Yes. Linda can speak to it specifically. But again, as a ministry, because we have such a large capital account, when you look at the numbers year over year, we're actually growing, but when it comes to, in a sense, the overhead of the ministry, we're flat or declining. I can give you the exact figures, if you wanted to see that.

Mr. Joe Cimino: From those meetings last week, I understood that, again, through you, Chair, there was a 4% reduction in core programs, I think they're called—core programming. If there is a reduction in the budget, what's listed underneath those core programs? What services—

Ms. Carol Layton: Linda McAusland, CAO, just jumped up here. She can take you through this.

Mr. Joe Cimino: Thank you.

Ms. Linda McAusland: Good afternoon. So—

Mr. Joe Cimino: And quickly please, because I'd like to get on—

Ms. Carol Layton: Yes, happy to do so.

Ms. Linda McAusland: Everything in our operating—those are the five vote items: 2701 is our ministry administration; policy and planning is 2702; road user safety and our IT. That's our core operating program. There's a reduction in those. Where we see growth is in our amortization, so amortization of our highways, as new projects come into service, amortization as our investment in transit goes up. And then our appropriation: As our capital program grows, the appropriation number goes up accordingly.

Mr. Joe Cimino: Okay, good. We'll move off winter maintenance, Minister, if that's okay with you.

Hon. Steven Del Duca: Absolutely. Whatever you'd like.

Mr. Joe Cimino: Two quick questions on Highway 69. In I believe it's called the southern highway plan, it lists Highway 69 widening or twinning or four-laning beyond 2016. The original commitment has always been 2017-18 for the completion of that four-laning. Do we have a new end date?

Hon. Steven Del Duca: I think it's important to recognize—and I suspect you would know this, obviously as someone who is directly impacted by this—of course our government does remain absolutely and firmly committed to ensuring that we complete the four-lane expansion of Highway 69 to Sudbury. Again, just so we're clear and on the record here, 50 kilometres of that project has already been completed, with an additional 20 kilometres currently under construction. The ministry is working very, very hard to make sure that we have the necessary approvals in place so that we can have the remaining 82 kilometres completed to finish off the project and finish the corridor.

There are some complexities to this project with respect to discussions that are ongoing with First Nations, for example—

Mr. Joe Cimino: That's my next question, actually. Are those discussions happening as we speak?

Hon. Steven Del Duca: That's one of those examples. Yes, the discussions are ongoing.

Mr. Joe Cimino: Is it dependent on how these negotiations go in terms of the completion date being adjusted?

Hon. Steven Del Duca: Gerry is going to come back up.

Ms. Carol Layton: Again, Gerry Chaput could actually—he's closer to the file.

Mr. Gerry Chaput: We've had numerous discussions with the three First Nations: Magnetawan, Shawanaga and Henvey Inlet. We're working on relationship agreements with them that will facilitate the property that we would require for the highway. We do meet with them regularly. We have Jean Beaucage working with us as well. Jean Beaucage is a facilitator between the First Nations and the ministry. We have him on a retainer with us to facilitate those discussions. We have aboriginal relations staff working on the relationship with the First Nations.

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As well, the previous minister went to an event last year at Shawanaga to reopen the negotiations and to move forward. We've made offers on aspects associated with past use of past highways, as well as potential cost-sharing, in terms of the contract, in terms of offering services to First Nation participation, either through commercial requirements in the contract that you hire or use First Nation personnel or businesses, as well as looking for opportunities to include them in the project through employment and other means.

Mr. Joe Cimino: So the 2017-18 date, realistically, is not going to be achieved. And as these negotiations go on, we'll have it in the statement somewhere, or in the long-term plan, of when it's going to be at least budgeted for?

Hon. Steven Del Duca: We do have to remember, as Gerry said a second ago, that the work is ongoing with the First Nations. The project cannot proceed and be completed until that work is done.

The team is working very, very hard, and the commitment is there from our government to get this project done. It is a significant amount of money; for example, since 2003, more than \$734 million has been spent or invested on the expansion to four lanes, and to initiate some other safety improvements to Highway 69 between Port Severn and Sudbury. It's also important to note that when fully completed, this particular total construction cost to four-lane Highway 69 from Port Severn to Sudbury will exceed \$2.4 billion.

The design work has been completed. We are dealing, as Gerry said a second ago, with First Nations around property acquisition. We will continue to work as hard as we can to make sure the project moves forward as quickly as it can, because we do recognize the importance.

Mr. Joe Cimino: Okay. So I'll look forward to the new date. Thank you. We'll get off that.

HOT lanes: Is it the government's intention to move forward with high-occupancy toll lanes?

Hon. Steven Del Duca: If I'm not mistaken, that was, I believe, an original commitment made in budget 2012, I want to say—2012 or 2013.

Ms. Carol Layton: Yes, 2013 and 2014.

Hon. Steven Del Duca: In 2013 and 2014. I've been really lucky so far as minister, because when I've been out to announce a number of new HOV lanes that we are building on highways like 427, like 410 and others across the greater Toronto and Hamilton area, as we widen these highways and add in HOV lanes—and I think right now in Ontario we have 83 what I believe they call lane kilometres or kilometre lanes of HOV—that we're actually building in the ability to take the HOV lanes that we'll be building in the short term and transform them into HOT in terms of some of the ductwork that needs to be in place so that we're not completely rebuilding. But the commitment by the government is there to move forward, where practicable, with HOT lanes at some point in the future.

Mr. Joe Cimino: I guess our concern is, according to an FOI document that was received by our party, the government's own briefing book, I guess it's called, stated that "newer road pricing projects in the US and Europe are considered generally successful in managing demand"—and here's the big "but"—"but almost all projects failed to generate the projected revenues. Several projects even failed to cover the operating costs." I'm sure you know that. Then there was a project in Washington, DC, last year which lost, I believe it was—a 14-mile HOT lane in Washington, DC, lost \$11 million in just the first six weeks.

If the government is looking towards preparing ahead of time for potential future HOT lanes down the road, are we not concerned about them being financially viable?

Hon. Steven Del Duca: Like in all of my answers that have come up now, from last week as well as this week, regarding how we move forward with all of our transit and transportation infrastructure investments, there will always be the kind of technical analysis that's done to ensure that we're making those investments in a way that delivers not only the positive results, those tangible, positive results—for example, helping people make commuter choices, improving our economic development, all of those things that we talk about a lot and that I've certainly referenced while being here at committee—there will also be that other lens brought to bear around the analysis and discussion about financial viability.

The plan right now is to move forward. When we make the investments in those highway projects that I referenced a second ago—widening highways like 427, 410, 404 and others—to be in a position to accommodate HOV lanes in the shortest term, we are also building in, or roughing in, as I like to say, the ability to make those HOT lanes instead of having to rebuild all of that later on, which I think, from a financial or fiscal standpoint, is a very responsible thing to do.

My expectation is that MTO will continue to do the analysis that's required to put us in a position so that we can decide where HOT lanes that will be financially

beneficial will be best placed, and that's the work that's ongoing right now. It's part of the overall analysis.

Mr. Joe Cimino: Is there a document, a plan, a map that shows where these future potential HOT lanes might go in?

Hon. Steven Del Duca: It's still part of the analysis that's taking place right now, so we're not in a position to roll out exactly where HOT lanes might be placed, except to say that we remain committed to dealing with that in a way that makes the most sense, provides people with options, and generates revenue for the people of Ontario or for the government of Ontario to invest again in the system.

But I did want to stress that, as we spend money—not insignificant money—to widen some crucial 400-series highways in the GTHA to add in additional HOV lanes, we are taking into account the future possibility of some of those lanes becoming HOTs, which, again, I think is the responsible thing to do.

Mr. Joe Cimino: My concern is whether the revenues will be there, because I did look into the AECOM KPMG report and looked at the cost of \$715,000, I believe, per kilometre. One of the HOT lanes that was mentioned in there was only going to bring in \$20 million per year, potentially, in revenue. So is the cost-benefit analysis taking place?

Hon. Steven Del Duca: Yes, it's ongoing. That's what I was trying to get at. Perhaps I wasn't completely clear in my first answer. But that cost-benefit analysis is the work that is ongoing, not just around transportation infrastructure, like the potential creation or the potential building out of those HOT lanes, but also all of the transit projects that I was referencing in my responses to the member from Kitchener—Conestoga earlier.

Mr. Joe Cimino: The last point on this issue—

The Chair (Ms. Cindy Forster): Mr. Cimino, two minutes.

Mr. Joe Cimino: Two minutes?

The preparation that would happen on a highway that's being built now for potential future HOT lanes: What if the HOT lanes don't get built? Is that money well spent? Is that—

Hon. Steven Del Duca: Well, I think it is, for a couple of reasons. One, what we're primarily talking about, from what I recall, is essentially ducting, or the ability to—like if you're building a brand new house, and you decide, "Hey, at some point in the future, I may want to finish my basement. So what am I going to do? What steps will I take in the first instance while building my house to make sure that I can have the kind of system"—whatever it is, electrical, plumbing etc.—"in my house in 10 years or five years or two years? I'm going to build that in to the plan itself." Now, it's kind of similar to that with respect to the opportunity to have those HOV lanes become HOT lanes, instead of having to go back through to provide the technology you would need for it to be an HOT lane by breaking things apart and starting over, running wires or whatever the case may be.

Mr. Joe Cimino: Yes. And I'm just hoping the assumption's not there that we're spending this money to

potentially build them in and then that means we're doing a fait accompli, in that we are going to do them.

Hon. Steven Del Duca: No. We're spending the money to make sure we widen those highways I referenced a second ago—410, 404, 427—to provide people with, again, more options, HOV lanes in the short term. We're building on that 83 lane kilometres I talked about a second ago. At a future point, once that technical business case analysis is done and a decision can be made with all of those facts and figures before us about where to put the HOT lanes, we'll be able to move forward, but in a way that actually makes sense from the standpoint of—there's no point building infrastructure twice, from my perspective. It's about making those decisions so that we have that ability to pivot towards something new as we roll it out.

Mr. Joe Cimino: Do I have another minute, Chair?

The Chair (Ms. Cindy Forster): Thank you. Your time is complete.

Government members: Mr. Dong, 20 minutes.

Mr. Han Dong: Thank you, Madam Chair.

Minister, this morning I asked a question around Presto cards, and I look forward to hearing the rest of your answer. It's a very exciting initiative that we're taking on.

Before you go into that, I just wanted to mention a couple of things that came to my mind. The member from Kitchener–Conestoga mentioned about advertising Metrolinx. On this side, I think there should be, as we roll out the Presto system, sufficient communication to teach people how to—that the system is getting rolled out. My riding is a very diverse riding, as you know, with first-generation immigrants from China, Korea, Italy, Portuguese Canadians. Especially for seniors, it will be very helpful to teach them, perhaps even in their own native language, how to use this new system. That will help us. So it's just a comment—

Hon. Steven Del Duca: Thank you.

Mr. Han Dong:—about the Presto system.

I'm very optimistic about the future of the Presto system, because I know around the world there are other jurisdictions that transformed this card into a transportation card. So people may be able to use it on taxis—I'm not suggesting that we should do that here, but I'm very optimistic. I think it will help us to closely monitor how efficient the system is, as a side benefit, and also maximize the convenience and comfort for the riders.

With all that said, I turn it over to you on the question on Presto.

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Hon. Steven Del Duca: Sure. Thanks very much for the question. I appreciate your opening comments around making sure that we're in a position, generally speaking, as a government or via Metrolinx as an agency, to ensure that we're communicating effectively with individuals, whether they live in Trinity–Spadina or Kitchener, whatever the case is, around not only the potential upside, from my perspective, of dealing with the concept of fare integration or how we're rolling out or how successful we've been with Presto, or what the mechanics are

around how Presto would work once it's fully rolled out. I think one of the other things we have to keep in mind—I know in some of what I said last week and what I've said, I believe, here this week as well was that we are, over the next decade, going to experience a great deal of very, very significant infrastructure investment that will, throughout the process, and certainly by the end of the process, provide some extraordinary benefits to people living in communities. But there will be a period—and you experience it right now in Toronto with the work that's taking place so far around the Eglinton Crosstown; you experience it in Toronto and York region around the Spadina subway extension; you experience it in York region around the Viva BRT, and this list goes on. The same thing occurs when you're talking about roads, bridges and highways, wherever they are in the province of Ontario.

So from my perspective, it's important to ensure—and Metrolinx does this, and across government we do it to the extent that we're permitted. It is important to make sure that people living in all of these communities, when they see work taking place, have a clear sense of what it is that's taking place, what their money is being spent on. After all, these are revenues that we're generating from the people and the businesses who will ultimately benefit.

I've been to some other parts of North America and some other parts of the world where there is a very clear indication or very clear signage about what's taking place, and I think that, whether it's the team at Metrolinx or folks in some other agencies or the government writ large, we have a responsibility to the people we represent to make sure that we are communicating with them very effectively about the disruptions they may experience so they understand what the benefit will be for them, for their neighbours, for their family and friends. I know that's work that's already ongoing, and I'm sure it's work that will continue to take place.

Beyond traditional advertising, I think there's also a responsibility on the part of government and MPPs of all stripes to help communicate to the people we represent about what they're seeing in their own communities, at a very grassroots level, a very granular level. I know Metrolinx does some great work around what I'll call community offices—perhaps there's a more appropriate technical name—for what's taking place around projects like the Crosstown, around projects like the Union Pearson Express.

That's work that will continue, but I'm glad, in your opening comments this afternoon, that you've raised this as something that's important to people living in your own community of Trinity–Spadina, especially those for whom English might not be their first or primary language.

I mentioned earlier today when we were talking about fare integration—which, as I referenced, is a pretty important part of my own mandate letter that I received from the Premier, a mandate letter that's publicly available. As we've said, this is the first time in Ontario history that any individual with an interest in any one of our responsibilities can check to see, from that standpoint

of ensuring very clear government openness and transparency, that mandate letters are publicly available. I do have a responsibility to be in a position to make significant progress around fare and system integration.

Just really quickly, before the member from Newmarket—Aurora shows us his Presto card again, which I'm sure he will in short order, more than 1.2 million cards have been activated across the greater Toronto and Hamilton area since September 2014, representing more than 240 million taps. Presto users to date have paid out over \$946 million in fare payments.

We talk about Toronto—it's important—and a lot of people are aware of the fact that Presto is also being used in Ottawa. But there are also a number of other municipalities or communities—Hamilton, Burlington, Oakville, Mississauga, Brampton, the regions of both York and Durham, and 14 TTC subway stations, all GO Transit trains and buses—which are involved in the current rollout of the system.

It doesn't mean that our work is done. We're a long way from our work being completed. The Ministry of Transportation and Metrolinx are actually in the process of working on some creative ideas around some potential announceables and projects with respect to fare integration—which I'll probably have more to say about in the coming weeks and months—that I think will demonstrate that when we all work together and when we are creative about this, we can provide residents—whether they're people living in parts of your riding or other parts of the city of Toronto, they can see how fare integration might work. I look forward to having more to say about that.

The work isn't complete. I think we've made some tremendous strides just in the last couple of years alone. I know that the ministry, Metrolinx and all of these municipally owned transit agencies—transit authorities—will keep working hard.

I've certainly heard from the people in my community who use the GO service along the Barrie line about the importance of making sure we have fare integration. It's a convenience issue for many of them. I know that's something that I'll keep working on.

Mr. Han Dong: Thank you very much, Minister. I look forward to those announcements you mentioned. I'll be working very closely with your office and your ministry to effectively communicate these convenience options and perhaps give you the feedback that I get from my constituency, and good suggestions. I look forward to that.

Hon. Steven Del Duca: Thank you very much.

The Chair (Ms. Cindy Forster): Mr. Ballard.

Mr. Chris Ballard: Thank you very much, Madam Chair. Through you to the minister. I'm hearing the same things from my residents who use the GO system and TTC about that need for continued rollout of Presto throughout the TTC system, as well as eventual fare integration. From where we sit, it absolutely makes sense. As an avid Presto card user—it's a fantastic system that has served me well.

Just a comment and a question: I don't have to tell you this—you're the minister—but any comprehensive trans-

portation system requires a lot of integrated types of movement, types of systems. Oftentimes we focus on the multi-billion dollar developments that are tunnelling underground or going above ground or whatever.

In York region, especially at the north end, the need for the rollout of the rapid bus system is very important. I've seen, as a councillor, how that has transformed Highway 7. I'm absolutely gobsmacked at what that has done there.

Although Davis Drive in Newmarket, in my riding of Newmarket—Aurora, seems to take forever, we know it's not. We're very excited about what is to come. I think all of us who live in that riding view it as a transformational project: Once it's done, it really will change the whole tenor of Newmarket, especially when it ties into all-day, two-way electrified GO train service. But we've had those discussions before.

I know that there are big plans to put that rapid busway system north and south on Yonge. I'm just wondering if you can take some time to fill us in on some of the other rapid bus systems that are planned, that are under way, so we get a better sense of—I mean, buses maybe aren't as sexy as subways and LRTs, but where I'm from, that's the way we get around. If you can fill us in on what's happening, what we can expect, I would appreciate it.

Hon. Steven Del Duca: Thanks very much for that question. I'm very lucky to serve as an MPP from York region, like you are. I was elected in a by-election in September 2012. Within a few weeks of that by-election, I was really fortunate because then—Minister of Transportation—and Infrastructure, at that time—Bob Chiarelli came up to my community and announced that there was a contract that was being awarded for somewhere in the neighbourhood of \$130 million, from what I recall, and it was for the construction that was the widening of Highway 7 through that piece of the Viva BRT that runs at the westernmost edge of where it's currently being built, so, roughly from Jane over to Highway 400, that stretch of Highway 7.

Every single day of the week—because this is part of my route that I use to and from this building—I see the work that's ongoing along Highway 7 which, interestingly, at that point, of course, will ultimately intersect with the Spadina subway extension that is currently under construction and should be finished and have trains running on that subway extension in 2016. So what a fascinating opportunity as the subway leaves the 416 for the very first time to come north to York region, and it will intersect with the Viva BRT.

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There is a significant, first of all, provincial leadership around the Spadina subway extension. Of course, it was my predecessor, the former MPP from my riding or my community, Mr. Sorbara, who pushed so hard for so many years to make sure that kind of infrastructure investment was made, close to 900 million provincial dollars—

Interjection.

Hon. Steven Del Duca: —\$870 million in provincial support. Interestingly as well for that project, all three levels of government were at the table to make it happen. It couldn't have happened, really, without all three levels of government being at the table not only for the discussion but for the funding, which I think is a fantastic lesson to be learned about how we need to go forward over the next decade across this province with respect to securing stable federal funding from our federal counterparts.

But the \$1.4 billion invested provincially in the Viva BRT itself—you said in your opening that buses sometimes aren't sexy. Well, let me tell you something: Not that many weeks ago, I had the chance to go to the official opening of an eastern segment through the community of Markham and to stand alongside our colleague the member from Markham—Unionville while that particular eastern section of the Viva BRT was opened up. They gave us the opportunity to actually ride—both myself and Minister Chan and members of York region council and Markham town council, Markham city council now—to actually get on one of the buses and drive down the middle of the road in a dedicated lane and to hear firsthand from officials from York Region Transit and from Viva about some of the technological marvels that are included in this in terms of dealing with, for example, the signalling and the future potential—again, not that I'm here to make any announcements today, but the future potential around how one day, when sufficient ridership is in place, future governments can look to BRTs and consider whether they should be ultimately transformed into LRTs at some point in the future. So the work is ongoing around projects like the Viva BRT.

I also, interestingly, live in a part of Vaughan, or a part of York region, where along that very same corridor Brampton's Züm project, or Brampton's Züm service, runs right along Highway 7 as well. So it's interesting for people who live either in Brampton or in my community of Vaughan: You see York Region Transit; you see Brampton Transit. You know it's going to be tying into the TTC. We also have the Barrie GO line.

I'm just pointing these out to demonstrate that through a lot of careful work and a lot of planning, but at the same time that almost sort of organic need that needs to be filled in many of our fast-growing communities, we already have a lot of what I would call almost quasi-formal or informal service integration taking place.

So where we are now with respect to my mandate and the potential around fare integration and Presto and everything else is how we take it to and how it evolves to the next level. Then we more formally institute concepts around service integration, system integration, fare integration. It's something I'm very excited about, because I know that when we have fully rolled all of those pieces out, it will greatly benefit the people who live in all of the communities that we represent and make their commuting choices easier and give them more options. So it's a very exciting time to be working with all members of the Legislature on fascinating projects like these.

Mr. Chris Ballard: Absolutely. I know many of us have moved or relocated to areas where the bus rapid transit system will be located simply because it's such a cost saving for us—no need for two or three cars like we used to have to have in suburbia. It certainly makes life a lot better.

As I think one of the members pointed out today, or maybe one of the other days, we have children who are of a generation who really aren't interested, many of them, in getting a licence. I know one of my daughters still doesn't have a driver's licence because she really doesn't need one. Even in its infancy, the Viva Rapid, and the GO bus and that sort of thing, has replaced the need and her desire to own an expensive automobile etc. We can see, when people talk about transformational change, it's not just rhetoric. I actually see it in my family. I see it with my children's friends.

As I've mentioned before, the town of Aurora built its entire Promenade study and its Places to Grow study all around those transportation corridors, and that's paying off now with redevelopment of the town's downtown core and residential development happening in the downtown core, simply because people can walk to really good transportation and not have to get in a car and drive somewhere. I see that happening and look forward to the completion of the Davis Drive bus rapid transit system.

I wanted to mention one other thing about the Davis Drive situation. It's very difficult, as you know, for the small businesses that have been located along Davis Drive, but it's really nice to see, over the past few months, Metrolinx and GO and the region and the town and the Newmarket Chamber of Commerce all really pulling together to work with the small businesses, to make sure there's signage, to make sure there's access to those small businesses, to look at programs to help those small business owners get through the next year or so. There are Twitter accounts; there's Facebook; there are whole websites setting up just to support them. That, by and large, is because of the work that the town and the chamber and the region and Metrolinx are doing to make it so.

I think that when it's complete, as I said at the opening, it's going to be a fantastic system that really will transform my community of Newmarket. I thank the government for having that foresight to build all of those integrated systems.

Hon. Steven Del Duca: That's terrific. Thank you.

The Chair (Ms. Cindy Forster): You have two minutes left.

Mr. Chris Ballard: Two minutes?

The Chair (Ms. Cindy Forster): You had five, but now you have two.

Mr. Grant Crack: Am I allowed to have my two minutes later? No, no. Just kidding.

Minister, it's great to see you again. We'll just maybe start by introducing what I want to talk about: the Ottawa LRT. In two minutes it's going to be almost impossible. We, as a government, did invest and make a commitment up to \$600 million back in December 2009. Pursuant

to that, the agreement was reached with the city of Ottawa in September 2011. I was just going to ask you about where we're at. Are we on budget with that, if you're aware, at this particular point?

I know that the Premier was also down in the riding a couple of months back. We talked about some expansion east-west, because I think I brought to your attention on a number of occasions how important transit is to the people in my riding of Glengarry—Prescott—Russell coming from Clarence-Rockland or in from the 417 East, and trying to alleviate the congestion there. Maybe if you want to have a bit of a discussion about the existing project under way and perhaps phase 2—that's phase 1, but phase 2, which is coming. Enjoy your 30 seconds.

The Chair (Ms. Cindy Forster): In 30 seconds or less.

Hon. Steven Del Duca: I don't have a lot of time, but it's a great question. It's a very, very important project, of course, and you're 100% right about the provincial government being a very key contributor and a key partner in making sure that this project not only gets under way but that it gets completed and provides people in Ottawa and the Ottawa area with the kind of public transit they need. You mentioned the \$600 million. You are right about that. That is a provincial commitment which represents the single largest investment that has ever been made to the city of Ottawa's public transit system from the provincial government. You also referenced the fact that, not that long ago, the Premier was there, alongside many of our colleagues who represent Ottawa as a community here in this Legislature.

I know that, of course, Mayor Watson, who I gather was successfully elected last night, is someone who is not only a staunch supporter but a very effective advocate, as are all of our MPPs from eastern Ontario, yourself included, around making sure that we continue to invest in very crucial projects like this. I'm sure we'll talk more about this soon.

The Chair (Ms. Cindy Forster): Thank you, Minister.

Mr. Harris, the official opposition: You have 21 minutes.

Mr. Michael Harris: Minister, I want to reach back a bit, and it's pertaining to a significant contract that was signed by, actually, Premier Kathleen Wynne when she was transportation minister in 2010. I'm sure you've had an opportunity to be well briefed on this because it is a significant contract in size. It was an agreement between Metrolinx and Bombardier on the purchase of 182 LRT vehicles. I'm just wondering if you're familiar with the agreement.

Hon. Steven Del Duca: The specifics of the agreement signed in 2010? No.

Mr. Michael Harris: All right. I want you to help the committee by giving us an update—and perhaps if you can't, the deputy can—on where the 182 LRTs have gone to this date. Have they all been delivered? I'm just wondering if there are specifics as to the commitments. Those 182 LRT vehicles should be—I'm just wondering

if we've met all those commitments and where that's all at.

1650

Ms. Carol Layton: I think what I'll do is ask John Lieou to come up and speak about the reference that you have there to the LRT vehicles, because you're referencing the vehicles in the context of the Eglinton Crosstown LRT principally, and also other LRT initiatives themselves that have not yet started. I think John Lieou is probably the one who could come up and give a bit more detail. If not, we can get back to you.

Mr. Michael Harris: Good enough. Thanks.

Interjection.

Ms. Carol Layton: Actually, we're going to change it to Chris Langford, director of our transit policy branch.

Mr. Michael Harris: Hi, Chris. Welcome.

Mr. Christopher Langford: Thank you. Yes, the original contract was for 182 LRVs from Bombardier. The contract value is \$770 million. We'll have to get you some specifics on that because, in terms of moving forward, some of the vehicles obviously—in light of the Toronto transit plan and some of the projects, as they shake out, there is some further work that needs to be done on that. So we can get you some answers.

Mr. Michael Harris: Of the 182, roughly how many do you feel will be required?

Mr. Christopher Langford: How many will be required? Well, we know that the Scarborough LRT project has been cancelled and changed, so there are some adjustments that need to be there, but we can get you the specifics on that.

Mr. Michael Harris: Roughly how many were destined for that project?

Mr. Christopher Langford: I don't have that answer at my disposal. We'll take it back.

Mr. Michael Harris: Yes. Obviously, there were obligations by the government with specific delivery dates throughout that contract. Has the government met all those, or has Bombardier met all those specified delivery dates?

Ms. Carol Layton: Let me just jump in on that one. In terms of delivery dates, as you could appreciate, the Eglinton Crosstown will be the first one to have the use of the LRT or LRV vehicles. Finch and Sheppard, of course, are on a slightly different path. As I recall, Bombardier is also going to be the supplier for the Waterloo LRT.

I guess the point I'd make there is that, in terms of scheduled dates, although Bombardier did have that strike, they are certainly working to fulfill those commitments in the timeline that is required—

Mr. Michael Harris: Will the government or Metrolinx be able to receive those LRT vehicles at the time that Bombardier will be able to deliver them?

Ms. Carol Layton: Based on the information we have, we do not anticipate that there is going to be an impact in terms of, for example, the first project that will be opened, which is the Eglinton Crosstown.

Hon. Steven Del Duca: In 2020.

Ms. Carol Layton: In 2020.

Mr. Michael Harris: Are there any penalties under the terms of that contract for, perhaps, any delivery dates that can't be obligated, either by the government or by Bombardier itself?

Ms. Carol Layton: I suspect the contract is about that thick. I can't speak specifically to that particular contract. I do know that when you are working with a large company like that and you have a long-term relationship with many, many different projects—I think Metrolinx certainly works with the organization. If delivery is an issue, and we don't anticipate that it would be an issue at all, there definitely would be contractual implications to that sort of thing.

Mr. Michael Harris: Will you be able to table that contract to the committee?

Ms. Carol Layton: I believe that's probably a very commercially sensitive product.

Mr. Michael Harris: So no.

Ms. Carol Layton: Not that I'm aware of.

Mr. Michael Harris: Okay. I've asked for the contracts; you're likely not to give it to me. Can you find out if there's information that can be provided to this committee on the details of the penalties?

Hon. Steven Del Duca: We'll take it back.

Ms. Carol Layton: We'll take it back. Sure.

Mr. Michael Harris: I guess I will ask for clarification on some of those questions I had, particularly with the 182 and Scarborough—the situation around the specific penalties, or what the government's intentions are for dispersing the additional LRT vehicles that they won't need now because they themselves cancelled it to build a subway after they had committed to building an LRT. I'm just wondering if you could provide the committee with the details of the specifics around those vehicles and any penalties that Ontario taxpayers will, in fact, have to incur—

Hon. Steven Del Duca: We'll take it back.

Mr. Michael Harris: —and, if there's a supply issue, where they may go. So I've covered that off.

I want to get moving on to Bill 31, a bill you just recently tabled in the Legislature, particularly on section 100.2, "Inspection of vehicles" and the issuance of safety standard certificates. I'm wondering if you can tell me the specifics or if you're leaning towards an annual or semi-annual vehicle inspection. There's not a lot of information in the act on that section. I'm just wondering if you can explain.

Ms. Carol Layton: I'm not going to bring up Heidi Francis because she has a really bad case of laryngitis. She would be closest to that file, but she'd be whispering into the mike. I think I'll do the speaking, if you don't mind.

I'd say that the motor vehicle inspection stations, that section of the bill—we've been in the business of vehicle inspection for a pretty long period of time. If you go to different garages all around in the different cities that you're in, you'll see that they proudly have those signs up there. What we're looking to there is to basically up-

date or modernize, in a sense, a regime that is fairly longstanding.

What we have now with that aspect of that piece of legislation is the flexibility to go and look at it, work with different relevant stakeholders as well and think through exactly those sorts of details in terms of how, first and foremost, we want to make sure that we have an effective vehicle inspection program and hold true to the principles of that. So in terms of annual versus twice annual and all of that, that's the sort of detail that we'll be working out over the coming months.

Mr. Michael Harris: What type of vehicles would this apply to?

Ms. Carol Layton: The motor vehicle inspection program applies to those vehicles that have been sold through the resale program. There's a—

Mr. Michael Harris: So they could be as old as one year?

Ms. Carol Layton: They could be as old as one year. I'm looking to Heidi for a nod—I think so?

Ms. Heidi Francis: Nothing has changed.

Ms. Carol Layton: Nothing has changed in that regard. The policy of the sorts of vehicles that work their way through there—that particular regime won't change.

What we are talking about largely is the delivery model, the governance of that, the oversight of it. That's what we're going to be looking at. In the fullness of time, we'll certainly be able to provide more details, but that's the sort of detail that I wouldn't be able to even work through because we have a small team at the ministry that's going to develop all of that.

Mr. Michael Harris: That will be left up to regulation?

Ms. Carol Layton: I believe that's one that is left up to regulation. As you can appreciate, in that entire piece of legislation, which is very impressive and incredibly massive, there are different proclamation dates yet to be determined, royal assent and other things that are upon regulation. So there's quite a schedule attached to all the aspects.

Mr. Michael Harris: Yes. I guess for us, it's a matter of leaving it open-ended and leaving it to regulation and not allowing legislators to have a proper idea as to what you have in mind here. It's pretty open-ended. We all know what happened with Drive Clean, where that went to a program that's—what has been deemed perhaps beyond its time, and it's costing Ontarians \$35 per vehicle. I believe they did lower it, but even the Auditor General spoke highly on that.

Where is this going? Is it going to include commercial passenger vehicles? Is this another revenue-generating scheme by the government on the backs of motorists to basically tax drivers? How do we—

Ms. Carol Layton: If I could just answer that. That's a good question: Is this a revenue-generating scheme on the backs of the taxpayers? We are guided—

Mr. Michael Harris: Drivers, rather.

Ms. Carol Layton: Or drivers. We are guided by a pretty strict policy, actually. It's called the Eurig rule, and

that is, unless we are delivering a tax—and that's actually under our colleague ministry, the Ministry of Finance—all of our programs that the Ministry of Transportation administers that do generate revenue have to be on a cost-recovery basis, but cannot exceed cost recovery, and that would be the case with—

Mr. Michael Harris: We haven't seen that to be always the case, though. The Ministry of the Environment operates Drive Clean, but it generates a significant amount of additional revenue—

Hon. Steven Del Duca: Sure, but the reference of the deputy was to the Ministry of Transportation—

Mr. Michael Harris: No. You're saying that all ministries who operate these programs should be cost recovery, yet we all know that Drive Clean generates a significant amount of surplus, which is an actual illegal tax. Drivers are already experiencing that program, and we just see some problems going down the path on this particular section and wanted to get some clarity on what type of vehicles will it be, how old will they be, will they be mandatory, how often they'll be. That's not contained within the bill, so there are a lot of unanswered questions to that.

1700

Ms. Carol Layton: You're right, but all of those aspects of what you've talked about won't change. It's the passenger vehicles; it's the same sort of program. What we're talking about is how we just deliver that program and how we oversee that program.

As I recall, it goes back a few decades. I don't know whether Heidi can attempt to talk. It's all about modernizing the delivery of it to make it as effective as possible. But this will be on a cost-recovered basis.

Mr. Michael Harris: I've got a question also with regard to your legislation. There was an October 21 news release touting the proposed amendments to the Highway Traffic Act: "To address ambiguous wording, the proposed legislation would also clarify that only school buses can be painted chrome yellow."

A Star article said, "The bill outlaws painting any vehicles the same chrome yellow as school buses...."

I've got a picture of a vehicle that's chrome yellow. I'm not sure, Minister, if that looks—would you say that looks like a bus?

Ms. Carol Layton: That's not chrome yellow. That's lemon yellow.

Hon. Steven Del Duca: That's not chrome yellow.

Mr. Michael Harris: Well, we did a Google search. That's what came up: chrome yellow. I'm just curious—

Hon. Steven Del Duca: I'm not here to testify to the veracity of Google. Sorry. It's a little outside of my responsibilities.

Mr. Michael Harris: Look, there are a lot of yellow cars out there. I'm just curious about the necessity to have this legislative change. Why is this change—

Hon. Steven Del Duca: I didn't hear the middle part. Sorry.

Mr. Michael Harris: Why is there a necessity for such a legislative change?

Hon. Steven Del Duca: Perhaps Heidi can jump in as well, if she'd like to, if she's able to. It's actually funny. I have a family member who is a school bus driver in Simcoe. When I saw him over the Thanksgiving weekend or sometime around Thanksgiving, we had this discussion—

Mr. Michael Harris: He asked why he has to paint his car?

Hon. Steven Del Duca: No, it was interesting, because he said to me that those who actually work in the industry—and he's a bus driver himself. He made the comment that they've always been under the impression that this was already a requirement in place.

I think what we're doing with this legislation is making sure that it's a uniform policy around what is the only recognizable colour—I'm going to get this backwards now—that a school bus should be painted. The Ontario School Bus Association, which joined us for the announcement last week around the legislation—this is something they've asked for. I think it's about providing that uniform standard so that people have a very clear sense of what colour the school bus should be.

Mr. Michael Harris: Will that prevent any vehicles other than school buses in Ontario from being chrome yellow? Yes?

Hon. Steven Del Duca: Heidi?

Ms. Heidi Francis: What's the question?

Ms. Carol Layton: Will it prevent any other school buses from being—

Hon. Steven Del Duca: Any other vehicles. The question was about any other vehicle.

Ms. Carol Layton: Any vehicle? No.

Mr. Michael Harris: If I had a car that was chrome yellow, can I continue to operate it under—

Hon. Steven Del Duca: Aside from your taste in colours for the car, I mean—

Mr. Michael Harris: I don't have a car that's yellow. I'm just saying if I did—

Ms. Carol Layton: Can I just give you a couple of scenarios, actually, where this is so relevant? Buying a used school bus, for example, which you can, and deciding that that's the bus you're going to drive your family out to the Maritime provinces in, using it as a camper, is a really good example of the sort of thing that we're talking about.

The other thing, too, is that uniformity that the minister spoke about. It wasn't that long ago, for example, that there was a bus company called Cardinal, and their buses were white with a little red cardinal painted on them.

That uniformity, having that very identifiable school bus—there are many, many yellow vehicles out there. We're not going to be out there pulling yellow vehicles off the road because of what is chrome versus whatever. I think the key thing is the school bus and making sure that that bus is chrome yellow. If you buy a second-hand one, it had better get painted. It had better not be running on the roads.

Mr. Michael Harris: So if you're the Griswolds and want to go on a family vacation, you're going to need to paint the bus.

Anyway, so chrome yellow vehicles, other than buses, will still be allowed on Ontario roads, or no?

Ms. Carol Layton: A chrome yellow vehicle that is—I don't know what it is. A Prius, or whatever—

Mr. Michael Harris: Like this car. Just assume that it was chrome yellow. I'm just wondering if this nice Camaro—I don't know if that's chrome yellow, but—

Ms. Carol Layton: Okay, so you've obviously done some really good research here.

Hon. Steven Del Duca: Is that your car?

Mr. Michael Harris: It's not.

Hon. Steven Del Duca: Okay.

Mr. Michael Harris: I wish.

Ms. Carol Layton: Okay, you've thrown your best at us; we'll throw our best at you. I'm going to bring up Teepu Khawja.

Mr. Michael Harris: I'm just wondering—

Hon. Steven Del Duca: He'll answer.

Ms. Carol Layton: We'll have Teepu Khawja—if you could identify yourself.

Mr. Teepu Khawja: The simple answer is that those types of cars will still—

The Chair (Ms. Cindy Forster): Could you identify yourself?

Mr. Teepu Khawja: Sorry. Teepu Khawja, acting director at MTO.

The simple answer is that those types of vehicles will still be allowed. The intent of this is really just a house-keeping, clarifying type of amendment. There was a request by one of our major stakeholders, the Ontario School Bus Association.

Mr. Michael Harris: Right.

Mr. Teepu Khawja: Their concern was that there are these school buses that are bought aftermarket, used.

Mr. Michael Harris: Got you.

Mr. Teepu Khawja: In some cases, they're not kept up. The upkeep isn't where it should be. They're dilapidated. There are concerns among the public that if they're not kept up to par—because they look yellow; they haven't been painted. There might be some spillover effect, unnecessary concerns, that "That's a school bus, but it's not being kept up to par" when in fact—

Mr. Michael Harris: No, that's a fair answer. I'm just curious for folks who ask me, who have vehicles—a truck, a car—that is chrome yellow—

Mr. Teepu Khawja: But any car can be chrome yellow; it won't prevent that.

Mr. Michael Harris: They will still be allowed to drive on Ontario highways.

Mr. Teepu Khawja: Yes.

Mr. Michael Harris: Good enough.

Quickly, because I know I only have four minutes or something like that: Your colleague Mr. Crack brought, back on November 13, a motion that would update regulation 316 under the Highway Traffic Act. It received unanimous consent in the House, but since then really nothing has happened. I'm sure you're aware of that because you were a member then.

Updating the all-terrain vehicle regulation: I also sent you a letter, I believe, in September on this, outlining the issue. You had said that you're organizing a working group to update the regulation. The Canadian Off-Highway Vehicle Distributors Council was told that they would hear back in a few weeks. Has your ministry contacted some of those groups, and can you update the committee as to where that regulation change is at?

Hon. Steven Del Duca: Yes, absolutely.

Mr. Teepu Khawja: Sure. There's an umbrella group known as the Ontario Powersports Working Group and one of the members is COHV, the acronym you just mentioned. I actually called him personally a few weeks ago saying that we've been directed to put forward a working group, and we intend to hold it over the fall and develop a workable solution on this issue, which is exactly that: extending on-road access to additional off-road vehicle types. My branch is leading those consultations, and our intent is to hold them at the end of November or early December, true to being in the fall of 2014.

Mr. Michael Harris: So you've met already with this working group?

Mr. Teepu Khawja: No. We intended to send out invitations in coming weeks and hold the first kickoff meeting at the end of November or early December.

Mr. Michael Harris: What's the intent of the meeting? I suppose—

Hon. Steven Del Duca: The intent of the meeting is to reach out to the interested stakeholders. You're right; you did send correspondence on this.

Of course, Mr. Crack had an item before the Legislature. I think you said November 13; that sounds like it's around the right time. I've heard from other MPPs from all three parties on this one, so we understand the importance of dealing with this issue. We wanted to conduct some outreach to the various stakeholders to report back on how best to resolve the issues that still may be of concern so that we can have some kind of response in place.

Mr. Michael Harris: Yes, it's a fairly simple reg change. I'm just wondering why hasn't it been done. Just change the reg—why not?

Hon. Steven Del Duca: I think we just want to make sure that after we've done the consultation that we move forward in the right way.

Mr. Michael Harris: Because I've got a couple of minutes left, just a couple of housekeeping things: Roundabouts are a pretty big deal in the region of Waterloo. I'm just wondering why any changes to the Highway Traffic Act in this particular bill didn't address any of the roundabout changes that really should be required.

Hon. Steven Del Duca: I know that you have a great deal of knowledge and interest—and some would say, perhaps, passion—about roundabouts, which I think is to be commended. As the deputy mentioned in one of her remarks just a second ago, this is a very large bill that contains multiple literally moving parts. This is the consolidation of two previous pieces of legislation, the former Bills 173 and 34, both of which died on the order

paper. There's a lot in this legislation. There are some new items: drug-impaired driving and a handful of others that we talked about a second ago. I don't want you to assume that, because you don't see items relating to roundabouts in this legislation, that means that the ministry is not looking at this, that we're not prepared to have the ongoing discussion about this. I didn't feel that at this point in time, with everything else that we have in this particular legislation, that it was appropriate to move forward with any changes around roundabouts. But we should keep talking about it because I know, as I said earlier, that this is something that you are very passionate about.

Mr. Michael Harris: Yes. Would you say that you would support, perhaps, the common sense initiative to require drivers, when they go to get their G2 or G road exams, to be tested on how to properly enter and exit a roundabout? Would that not make sense to include that on the road test where applicable?

The Chair (Ms. Cindy Forster): Your time is up.

Hon. Steven Del Duca: Time is up.

Mr. Michael Harris: Thirty seconds left.

Hon. Steven Del Duca: For what it's worth, I am led to believe that that's in the driver's handbook currently.

Mr. Michael Harris: Handbook but not the road test.

Hon. Steven Del Duca: Right. A fair point but the Chair is—I'll definitely take it back, and we'll keep talking. I'm happy to keep having the conversation. Thank you.

1710

The Chair (Ms. Cindy Forster): Mr. Cimino, 20 minutes.

Mr. Joe Cimino: Thank you, Chair.

I attended, Minister, a very good briefing by your staff: the making ontario's roads safer act, 2014, stakeholder summary, the debrief. That was on October 22, 2014. On page 9, it does talk about the chrome yellow bus regulation. I did bring up the question there—and it makes sense in another way, Minister, because in a lot of municipalities like Sudbury, for example, school buses are exempt from the no-truck zones. So school buses can drive in residential areas where transports cannot. So if somebody is purchasing a bus and it's yellow, well, then, there's a falsehood there that they might be in a neighbourhood where they're not supposed to be.

I did ask the question, though, and maybe if you can have clarification. I did ask the question because the way it was written, it sounded like only buses could be—in the oral discussion—chrome yellow. Is that the case? Because I know in Sudbury, for example, we see sometimes blue buses or white buses. So do the buses have to be all chrome yellow?

Hon. Steven Del Duca: If I understand, from what we said in the earlier round of responses to Mr. Harris, yes, going forward school buses in Ontario will only be permitted to be chrome yellow.

Mr. Joe Cimino: Okay. Thank you.

Hon. Steven Del Duca: No problem.

Ms. Carol Layton: Did you want to add to that, Teepu?

Mr. Teepu Khawja: No. It's just that they have to be chrome yellow and performing their duties of transporting children. At that point, they have to be chrome yellow.

Mr. Joe Cimino: Thank you for that clarification. It makes sense.

Hon. Steven Del Duca: No problem.

Mr. Joe Cimino: We're going to move on to the Niagara-to-GTA transportation corridor.

Hon. Steven Del Duca: Okay.

Mr. Joe Cimino: The Niagara-to-GTA transportation corridor study recommended and said there's a future possibility for expansion of the GO train. I know our member from the area, Wayne Gates, is extremely passionate about getting more GO train service daily—maybe a couple of runs—to Niagara. What does “future possibility” mean? Is the government looking at that now?

Hon. Steven Del Duca: While here at estimates, I'm almost positive the issue of Niagara Falls and GO service for Niagara came up when Ms. DiNovo had the opportunity to ask a question about that. I'll share again with you what we discussed last week and what I'm happy to say. Not only has your colleague Mr. Gates talked about this in the past—in fact I think over the summer he asked me a question in the Legislature about this. Of course our member, Mr. Bradley, from St. Catharines, who has been serving with distinction in this building for many, many years, is also very passionate about this issue with respect to his community. The chair of the region, Mr. Burroughs, who I understand was successfully re-elected last night as councillor for his municipality, and other mayors met with me at AMO back in August. When I was down in Niagara-on-the-Lake just late last week for the economic summit, I also had the chance to speak with him as well.

There's no doubt that there's an extraordinary amount of passion and interest and some really great work that's being done by the municipalities in Niagara not only about the importance and the opportunity for GO train service to their communities—this is over and above what's provided during the summers etc. The request that has been put to us is for two trains in the morning and two trains in the afternoon. The commitment that we have made as a government to the regional chair and the mayors from all of the municipalities is that we will—and I have already relayed this to Metrolinx—work very quickly and very closely with folks from Niagara on the technical analysis and the business case research that needs to be done to determine how best to move forward with what's being requested in Niagara.

I always say there are a lot of moving parts in transportation. People think I'm trying to be funny. I'm not. There are genuinely a lot of moving parts around this. There are questions that have been asked, and I think legitimately so, around exactly what kind of infrastructure work would need to be put in place or completed before we could consistently and reliably provide train service. That is part of the work that needs to be done.

I was really happy to have the chance to meet with representatives from the municipalities last week. I hear about it regularly from my colleague Mr. Bradley. I have no doubt that before we are done this particular session I'm sure I'll hear about it again from Mr. Gates. I'm happy you asked the question here today. I'm happy Ms. DiNovo asked the question last week.

But like everything else I've talked about around our public transit plans, whether we're talking about two-way, all-day GO and how that will be implemented over the next decade—we'll be in a better position to make specific announcements once the technical analysis and business case research has been completed.

Mr. Joe Cimino: So if I heard you right, sir, the business study, the feasibility study, is under way?

Hon. Steven Del Duca: Niagara provided us late last week with some additional work. They've done a lot of work on this already, and they provided us with some updated information late last week. Metrolinx is aware of the updated information. There will be an ongoing, intensive discussion taking place in short order around the numbers that are included in this report to make sure that we get it right.

Mr. Joe Cimino: On the same topic, the same corridor study discussed two extra HOV lanes, an expansion of the QEW. Is that project earmarked to happen, or where are we at with that? I know there was some opposition.

Hon. Steven Del Duca: Can you ask the last part of the question again? Sorry, Mr. Cimino.

Mr. Joe Cimino: The Niagara-GTA corridor study recommended two more HOV lanes from, I believe, Niagara to Hamilton or thereabouts. Is that under way?

Hon. Steven Del Duca: Yes. What we're looking at now is making sure that we have a comprehensive solution to some of the challenges that are being faced in Niagara region, so—

Mr. Joe Cimino: Because there are challenges brought forward by folks. Is that—

Hon. Steven Del Duca: Again, we're not in a position to make a commitment around any of these elements until we actually land in a place that makes the most sense in terms of, will it be GO train service? If it is going to be GO train service, what will it look like and when will that be implemented, versus how would we potentially expand the QEW and provide more lane kilometres of HOVs? These are questions that are still being analyzed, being discussed internally. We'll hopefully have something to say about all of it in fairly short order.

Mr. Joe Cimino: Okay. Some other questions that came forward from some of our members are in terms of, If somebody loses their licence for a medical reason. One of the frequently asked questions is how long does it take to get it back after it has been reviewed by—I guess there's a medical advisory committee, and it's six weeks. So the question is, is six weeks reasonable if some people need their licence to earn an income? Comment on the six-week period.

Ms. Carol Layton: I'm not sure—actually, there's Teepu.

I guess the only point that I'd make just while Teepu is settling in is, what's critical there is that that person truly is determined to be fit to drive versus the income. We appreciate the hardship that can cause. Maybe I'll have Teepu Khawja speak on this.

Mr. Teepu Khawja: Sure, Deputy. I can't really speak to the appropriateness of six weeks. I can say that the medical review section ensures that it does its due diligence to do exactly what the deputy just said in terms of ensuring that the drivers who are on the road who are reported to them are medically fit to do so.

The service standard right now is 30 days. There have been a lot of improvements. It's a section that's constantly under review for improvements, because we know that this is one area of concern from the public that's often raised. They have constantly renewed their program and pursued improvements.

I know there has been an improvement in terms of the response times. I think it's almost up to the high 80s in per cent—I don't have the exact figure in front of me—in terms of meeting the standard time. So there are constant improvements, and they continue to improve it.

Ms. Carol Layton: If I could just add to that, we have actually done a fair amount in response to, obviously, the concerns out there, because we do appreciate the need and how critical it is for people to be able to drive. There has been an organizational change at the Ministry of Transportation, extensive training, the addition of what you'd call, I guess, business process, reengineering, systems improvements, all of that, because we were above the 30-day service standard—that's 30 business days—trying to keep at it. It would be great to someday achieve it 100%, all the time. So there's a fair amount of work in that area.

Mr. Joe Cimino: Thank you.

New topic, Mr. Miller's favourite topic—

Hon. Steven Del Duca: You have to narrow it down for us.

Mr. Joe Cimino: —the Pan/Parapan Am—

Ms. Carol Layton: Okay. Sure.

Hon. Steven Del Duca: Oh, okay, sorry. It's the Pan Am one; okay.

Mr. Joe Cimino: That might come up as well.

Hon. Steven Del Duca: He's got a few.

Mr. Joe Cimino: The Pan/Parapan Am Games: In "Policy and planning," 2702-01, page 50, there's a \$35.7-million allocation toward new initiatives for the games. If we could have some clarification of what that money is being used for. Then I believe there is also a directorship staff member allocated.

Ms. Carol Layton: Yes, there is.

Hon. Steven Del Duca: If I can just say really quickly at a high level—and I'll try to be very quick, because I know the deputy is going to want to delve into some of these details—I've had the chance to learn over the last four months about not only what will be taking place in Ontario that's very exciting around Pan Am; there is a ton of work that the team at MTO which is responsible for the transportation component has done and will continue

to do. But sort of like when I talk about the transit investments, managing expectations and communicating to the public about what that challenge looks like, we have a similar challenge here. With the number of athletes and coaches and spectators that we anticipate will be coming to Ontario, to the greater Toronto and Hamilton area and, let's hope, for tourist purposes, beyond the GTHA to spend some of their money and help boost our economy as a result of the Pan Am Games, we have a considerable amount of work that has already taken place and will need to take place, including—and I try to take every opportunity to encourage residents and business owners living across our region. We have a number of months until the games actually begin, but I would sincerely hope that we will all do our best to try, wherever we can, wherever it's possible and practical, to modify our own commuting patterns. A number of employers, I think, have a really terrific opportunity over the number of days that the Pan Am/Parapan Am Games are taking place to perhaps look at flexible hours, later start times, earlier start times for employees in a partnership to provide us with the opportunity to reduce some of our pre-existing load, let's call it, on our roads, to help make this happen.

1720

Mr. Joe Cimino: So that's where this money is going?

Hon. Steven Del Duca: I'm going to ask the deputy to delve into the details specifically, but I just want to say I try to take the chance to let people know, "Hey, let's all work on this together," because it's going to be a really spectacular success, but it will definitely involve challenges.

Ms. Carol Layton: We will have an allocation, absolutely, this year, in 2014-15, as well as in 2015-16, as we work toward the July 10 start of the Pan Am/Parapan Am Games.

As the minister spoke, it's a significant initiative, certainly, for the ministry, because we are charged with working with all the different communities, and the 10 or so different transit authorities as well, and GO, to achieve, in a sense, three objectives.

One is to make sure that the athletes and the officials and the dignitaries get to the games on time; secondly, to make sure that the spectators have a very positive travel experience. But we also have, as you can appreciate, a very large geographic footprint over which the games are being held, and we want to make sure that the region keeps functioning—so things like looking at those large employers and where they can look for flexibility in terms of how their folks come to work and in what modes.

We are very much focused on what we call transportation demand management. The sort of cost that we're talking about, first of all, is working with IBI in particular for the development not just of a significant transportation strategy framework, because we have to identify, among all the different towns—

Mr. Joe Cimino: Sorry. IBI Engineering?

Ms. Carol Layton: IBI Engineering, yes.

So, working through the games route network—where would we have HOV lanes, where would we not—

because we would have to expand that. Where do we have to put signage; where don't we have to? We have to appreciate that people need to know where to go. For example, all of those different venues that we know aren't going to have that name during the holding of the Pan Am and Parapan Am Games—they could have a different one based on sponsorship, so having signage and way-finding is going to be important; having a trip planner both for transit as well as for road so that people can figure out where they're going to go in that context as well; making sure that we're dealing with road incident management, with the shipping community, making sure that we have off-peak delivery pilots, and therefore working with the communities in that context as well.

Planning has a cost to it, especially when you have to do the drill-down not just from the overall strategic framework that we have right now, but right down into the local area plans everywhere. It's Barrie, it's Welland, it's Oshawa, it's Ajax, it's Hamilton. It's extensive work.

How do we change, for example, perhaps the signalization at intersections, everything like that, to support, once again, getting those athletes and those coaches and those officials on time? Because you know that that's going to be a very regrettable above-the-fold if an athlete is disqualified because they did not get to the games on time.

Likewise, we're going to have visitors from many different jurisdictions coming, many of whom won't speak English, and we have to be able to communicate to them so they can get to the games on time.

We also, of course, have to make sure that the region—and let's face it: We know that we're dealing with the largest urban region certainly in the country, and one of the fastest-growing urban regions in North America. We also know that we're dealing with congestion already.

So we have been in that transportation framework—we've talked about it. We've talked about it publicly that we have to work to basically get congestion down by about 20%. So we talk about retiming, re-moting, reducing and rerouting. You can almost have a story behind every one of those: rerouting in terms of that games route network that we're identifying, retiming in terms of that off-peak delivery sort of pilot that we're talking about; re-moting, in terms of really shifting as many people as we can from their cars onto transit and focus on that. And then there's a cost to that. For example, in the city of Toronto—and we have some members here—you may appreciate that the subway doesn't start running on Sunday until 9 a.m. So if you want to come downtown for something—I live in the west end of the city—you have to find an alternate way if you want to be there by 8 a.m. or 7 a.m. So we're also going to have to compensate the different transit services for the incremental service they provide. That's an example of one of the costs we're going to be providing as well.

Mr. Joe Cimino: Thank you.

The Chair (Ms. Cindy Forster): You've got about three minutes, Mr. Cimino.

Interjection.

Mr. Joe Cimino: I'll ask a quick one. If I have another question, I'll come back to this.

In terms of the aviation fuel tax, Minister or Deputy Minister—this should be a quick answer—northern and remote airports, I believe, were to be exempt from the aviation fuel tax. Is this still the case, and are the monies being invested in airport infrastructure—or where is that money being invested?

Hon. Steven Del Duca: My understanding is that there was—I'll call it in my words, and not necessarily the technically correct words, so forgive me if I'm wrong—a mitigation strategy to deal with remote communities and remote airports in communities and the impact it might have, and that work is ongoing, led by the Ministry of Finance.

Mr. Joe Cimino: Sorry. Maybe I didn't understand.

Hon. Steven Del Duca: It's led by the Ministry of Finance, given that we're talking about a tax. But there is a mitigation strategy we committed to that, as I understand it, we are doing.

Mr. Joe Cimino: And exempt northern and rural airports?

Hon. Steven Del Duca: I'm not going to use the word "exempt." That's a question that's best posed to the Ministry of Finance.

Mr. Joe Cimino: Okay. So when they're in front of this committee, it can be asked at that time?

Ms. Carol Layton: Yes.

Mr. Joe Cimino: Okay. Thank you.

Quickly, back to the Pan Am/Parapan Games: Is that director position somebody in-house already? I understand we've hired this consultant, IBI. Is this director already in place, or is it a new position?

Ms. Carol Layton: We have a small team—I think less than 20 people right now—that we've actually moved from different jobs. Again, using what flexibility you can in a budget—for example, from attrition or delayed hirings and all that—we have funded our team from that. So we do have an executive director that we just put in place, dedicated to the job. And we actually have a director, as well as a small complement after that.

I can assure you that these are the folks who are out there talking to the 20 or 30 different communities, talking to the different transit authorities, working with the Toronto 2015 people, working with the many different stakeholders, making sure that those games are not just games that meet the three different goals I talked about, but are also very accessible games. So it's a very hard-working small, little team, time-limited. They are there to deliver, and then it will be a question of phasing them out once the games are incredibly successfully delivered in the greater Toronto and Hamilton area.

The Chair (Ms. Cindy Forster): You have 30 seconds, if you have anything further.

Mr. Joe Cimino: Can I delay my 30 seconds?

Mr. Michael Harris: Sure.

Mr. Joe Cimino: IBI: Obviously they've been working over the last couple of years; this isn't something that can happen overnight. Their consulting is spread over—is it a two-year budget?

Ms. Carol Layton: We've been working with them probably for the better part of two years. In fact, if you want to see the fruits of their labour—

Mr. Joe Cimino: Yes, please.

Ms. Carol Layton: —it's on our website. The strategic transportation framework for the Pan Am/Parapan Am Games was posted, I believe it was—was it March? It's been up there for quite a while now. We're continuing to work with them as we do, as I said, the drilldown from that large framework document right down into roads and streets and local areas and venues. But anyway, we are very public with that document.

The Chair (Ms. Cindy Forster): Thank you. Government members?

Mr. Crack, 20 minutes.

Mr. Grant Crack: Thank you, Madam Chair. We get into a little more depth on the Ottawa LRT. I know, Minister, that you were just about to begin speaking about some of the great work that is under way in Ottawa. But prior to that, I just wanted to talk about the city of Ottawa master transportation plan that they tabled back in, I think it was, February—no, November—2013. It did raise considerable concern from the mayors and councillors in my riding of Glengarry—Prescott—Russell that part of that master plan did not include the widening of 174/17 that we had talked about last time in the previous round of questioning the other day.

1730

Basically, with our commitment to phase 2—and I know you were going to touch on that—of the LRT, and combining that with the plan for phase 1, the upgrades by the province, specifically the widening of the 417 from Nicholas to the split, for those who are familiar with the city of Ottawa—it's important that we actually prepare for future expansion and future light rail, and getting some of that infrastructure in place. There's no use in spending large amounts of money on infrastructure if people are going to be in congestion five kilometres down the road. I know that we've taken a very strategic approach as a government to do it right.

So the concern that is raised, again, is that in the city of Ottawa's master transportation plan, that widening of 174/17 was not taken into consideration. We did meet with the mayor's office, and a number of mayors and officials from the United Counties of Prescott and Russell went to Ottawa. They assured us that it's still a priority project for them, but they want us to continue with the EA and determine a set amount of financing: How is the project going to be financed?

During this environmental assessment, by the way, the city of Ottawa has actually added their plan to bring light rail down to Trim Road from near the split there, so it's all moving forward. Of course, it's not moving forward quickly enough, because for us in the eastern part of the city of Ottawa—I hear a lot of constituents and elected officials indicating that they don't think the east is being treated as fairly as, perhaps, the west of Ottawa is and is not developing as quickly as it should, because there are not four lanes like the 416 coming in, the four lanes from

Carleton Place coming in, the four lanes coming down 17, which goes north up to Renfrew.

Minister, maybe you could just talk to us about the phase 1, where we're at, and the phase 2 that the Premier announced a number of months ago, and keep on the radar the fact that once this environmental assessment is done and a preferred corridor is chosen in the east—and how we could look at potentially funding the expansion of 174/17 so that there's more mobility of traffic, not only from my riding, but the Highway 17 itself runs from the Quebec border and is actually a major thoroughfare as well. I leave it with you.

Hon. Steven Del Duca: Thanks very much for that question. I'm happy to talk, as I was earlier, about the Ottawa LRT project. I just want to make sure, so it is clearly understood—we are committed to phase 1 of that project. We are providing funding along with our other partners on that, the up-to-\$600-million we talked about in the last round. There has been no commitment from the provincial government yet regarding phase 2, and that's largely because, to this point—because phase 1 is under construction—there is still a lot of work and information that needs to be provided to the province and other potential funding partners so that we can make a determination around phase 2.

I have no doubt that when the Premier was in Ottawa and took the tour and stood alongside some of our colleagues and Mayor Watson, there was a very considerable, enthusiastic effort made by those individuals to make sure that the Premier understood how grateful the community is for the up-to-\$600-million for phase 1 but also the potential importance for taking a very serious look at phase 2. I have no doubt that I will continue to hear, as will the Premier and as will all of us who serve in this place, about the importance of completing phase 1 and getting on with phase 2. I certainly do respect that as part of the traditional advocacy process, but I just wanted to make sure we're clear: We haven't actually announced that we will be providing funding to phase 2 at this point because we are awaiting more information and there is more work that needs to be done.

As I was saying earlier in the first round of questioning on this, our government has committed up to \$600 million toward building rapid transit in Ottawa. This does make it the largest single investment that the provincial government has ever made in the city of Ottawa's public transit system. The new, \$2.1-billion LRT project—which is what it is in totality, as you well know and as others do—will span the downtown from Tunney's Pasture in the west to Blair Station in the east. I know I'm providing information to you and the committee members that many of you already know, but I do think it's important that we put this on the record.

Preliminary construction of this line began in April 2013. As of September 11, 2014, the Rideau Transit Group, the entity that's dealing with this, has completed over 50% of tunnelling; and the municipality, the community, the region expects that this project will create approximately 20,000 jobs—not an inconsiderable

number; in fact, a number that's very similar to the number of jobs that will be created because of the Spadina subway extension, for example, that I referenced earlier today, that is coming to York University and up into York region.

There are a lot of other details that I could go into about phase 1 of Ottawa LRT, but I know there was a second part to your very eloquent question about what's taken place in your own community. I hope some of the details that I'll provide right now at a high level will give you a sense of where things stand right now with respect to what you're asking about.

You may know this, and I apologize if I'm providing you with information that you're already aware of, but it is important, I think, for me to say this: In May 2010, the ministry agreed to contribute \$4 million for the environmental assessment of Prescott-Russell Road 17. A total of \$3.75 million is being paid to the United Counties of Prescott and Russell in accordance with the terms of the funding agreement, and the projected completion date is March 31, 2015, according to the information that I have.

In May 2011, the ministry also agreed to contribute \$1 million to the city of Ottawa to add Ottawa Road 174 to the environmental assessment. In August 2007, the province announced a \$40-million commitment to the city of Ottawa towards the future expansion of Ottawa Road 174 and Prescott-Russell Road 17. And the information goes on from there.

It is important, I think, for me to stress as well that the government of Ontario believes that the completion of this project will significantly assist with respect to attracting economic growth—I know you've mentioned this, not only in your comments here today but in some of the other conversations that you and I have had over the last number of weeks—because we'll be able to support the local economy and encourage growth and development.

That gives you a bit of a high-level sketch of where things stand, where they've stood in the past, where they stand right now. I know, as with all other things relating to eastern Ontario and specifically to your own community, that you will continue to be a very effective champion for the kind of infrastructure investments we need.

I should also stress that when we made the commitment at AMO to invest \$29 billion over the next 10 years, that of course included up to \$14 billion for projects that fall outside the greater Toronto and Hamilton area. I believe, if memory serves now, you were at the AMO conference as well this past summer, and you will know that amongst many other requests that have flowed in to Premier Wynne and to our government, the Premier herself and Minister Leal and Minister Duguid were in a position to announce, while we were at that conference, the \$100-million Ontario Community Infrastructure Fund, which was very, very well received by representatives of that community.

So between that \$100 million annually—which over a decade would amount, obviously, to \$1 billion—plus the other monies that are contained in the ambitious plan we

have for transit and transportation infrastructure across the province of Ontario over the next decade, I have no doubt that we'll have a great deal of success continuing to work with you and the communities that you represent on making sure that those really critical road and highway arteries are in the state that they should be in, in order to provide a better quality of life for your residents but also help spur economic development and growth.

Mr. Grant Crack: Thank you, Minister.

The Chair (Ms. Cindy Forster): Ms. Kiwala?

Ms. Sophie Kiwala: I have to say I'm really glad that today's discussion started out with one of my favourite topics, the ferry system and the Amherst Island ferry, even though that one's out of my riding. I'm delighted that you're speaking to all of the different moving parts of the transportation system. It has been a very interesting process and I've learned an awful lot.

The importance of those intricate projects and responsibilities that you have cannot be better exemplified than by what happened in Howe Island this past winter, when the bubbler system broke and the residents of Howe Island were stranded for three days. It was a very challenging time for them, as I'm sure you can appreciate. I'm very glad that the situation has been resolved and measures have been taken to prevent that kind of thing from happening again in the future.

1740

Minister, you've indicated that the Union Pearson Express—I'm jumping into the next part of the question here—will be ready for the Pan Am/Parapan Am Games. As PA to the Minister of Tourism, Culture and Sport, part of my mandate is to promote the games, not only to Ontario residents but also internationally and throughout the province.

One of the things I would like to know about is what services the Union Pearson Express will provide. How many stops will there be? Also, can you tell me if this project will be on time for the games?

Hon. Steven Del Duca: Thanks very much for that question. You threw me for a bit of a loop because you started talking about Wolfe Island and the ferries, and then literally—because I know we're entertaining people here at committee with all of the metaphors that we're using relating to transportation—you switched gears and you jumped over to the Union Pearson Express and the potential positive impact—

Mr. Joe Cimino: Another moving part.

Hon. Steven Del Duca: —another moving part—here at the Ministry of Transportation in terms of dealing with the Union Pearson Express.

I know this came up a little bit last week when Ms. DiNovo was asking questions around a similar topic. It's a very exciting project, and I'm very happy to repeat here at committee today that the Union Pearson Express is a significant infrastructure project that is being delivered on time and on budget. I know there has been a ton of interest and excitement not only in the communities through which this particular service will run, but broadly speaking; because for the first time ever, of course, there

will be a dedicated air-rail link between Pearson airport and Union Station. The commitment that was made was that it would be a service that would be in place and operating in time for the Pan Am/Parapan Am Games. As I said last week and say again today, that's what we are going to deliver.

I know that will provide the spectators and community residents here and tourists coming from around the Americas and, frankly, around the world to witness and participate in these games and experience all that Ontario has to offer—which I think will be not just during that window but, hopefully, before and after and on an ongoing basis—a significant boost to the tourism sector here in the province of Ontario.

I think you had asked how many stops in total.

Ms. Carol Layton: From Union, it's four. It's two in between.

Hon. Steven Del Duca: It's four in total. It's Union, two other stations and then Pearson. It's four stops in total, if you're looking at it from that perspective. I think you know what I mean.

As I said a second ago, it is going to provide people who are visiting this community, whether it's for Pan Am/Parapan or generally speaking, with that opportunity, for the first time ever, of having a variety of options.

I look forward to seeing that service go live and be active for us in 2015, and having the opportunity to take it myself, hopefully, in the not-too-distant future. I would encourage everyone here to take that opportunity when the need or that option should arise.

Ms. Sophie Kiwala: It's very exciting.

I'm going to just pull back a little bit again to the ferry system now, and ask you some questions about the Wolfe Island ferry to AMO this year. It was certainly one of the big topics of discussion for Kingston and the Islands, and particularly the mayor.

I know that we've got an environmental assessment to do. I'm just wondering if you can talk to me a little bit about timelines on the environmental assessment and when we might be in a position to be breaking a bottle of champagne on that ferry boat.

Hon. Steven Del Duca: The deputy is going to provide some specifics.

Ms. Carol Layton: Sure, and I might get Gerry Chaput as well, because as you know, that's an important service in our east region.

Hon. Steven Del Duca: Gerry likes champagne, too.

Laughter.

Ms. Carol Layton: That ferry is a seven-day service: every day of the year, 19 trips to the mainland. The ministry has completed the Wolfe Island transportation study to determine a sustainable plan for that access between Wolfe Island and the mainland. It reviewed solutions within a 20-year frame and recommended a second additional ferry to be considered because of the increase in traffic that is going over to that ferry.

What's following that study is that environmental assessment. I don't believe the EA work itself has started yet. Gerry?

Mr. Gerry Chaput: No, not that I'm aware of.

Ms. Carol Layton: Not that we're aware of, but the planning work to get that under way is, I think, where we are right now for the Wolfe Island ferry improvement that we have to certainly help support.

Ms. Sophie Kiwala: Okay. Any rough ideas on the time frame of when the environmental assessment might be started and completed? I'm not sure how long it takes.

Hon. Steven Del Duca: We'll be happy to take that back.

Ms. Carol Layton: Yes, we'll take it back.

Hon. Steven Del Duca: But I know that throughout this process, whether it's the timeline around the EA itself or the work that will need to take place, obviously, our ministry, my ministry, and you and your office will be in regular contact and you will continue to be a very effective champion for your community as well.

Ms. Carol Layton: I can be a little more specific. The east region did receive approval to proceed with that EA work—as I was talking about the planning work and all that—just literally a month or so ago. Based on timelines right now, the EA could be completed in 2017, but then the follow-on work around design and construction and all of that, in the context of construction itself, would be commencing in 2019-20. As you know, our east region people—Kathy Moore, no doubt, you know quite well—could provide better detail on that. But that's my understanding.

Ms. Sophie Kiwala: Perfect. Thank you very much.

The Chair (Ms. Cindy Forster): You've got about three minutes. Is there someone else who has a question? Mrs. McGarry?

Mrs. Kathryn McGarry: Thank you. Thank you, Minister. As you know, we recently unveiled the new legislation coming forward, Making Ontario's Roads Safer Act. I know that there has been a great deal of interest in these two pieces of legislation coming forward.

The one thing that we noted in the statistics that was very alarming, really, to all members of the House, and probably our road safety users, is the issue of the distracted driving statistics. I was quite surprised to learn that distracted driving is causing more fatalities on the roads, almost, than drinking and driving.

My question is, what initiatives are we undertaking as a government to make sure that distracted driving is adequately addressed?

Hon. Steven Del Duca: That's a great question, obviously. We talked about it earlier today: the significant legislation introduced, the consolidation of two previous bills with some additional pieces that I think will help go a long way towards ensuring that Ontario's roads remain amongst the safest, if not the safest, in North America.

Certainly, I think the reaction from all of our road safety partners, who do an extraordinary job working with the Ministry of Transportation, was a very clear validation that we're moving in the right direction.

You mentioned statistics. Since we first banned the use of cellphones while driving cars, somewhere in the neighbourhood of just a little bit less than 300,000 charges have been laid over that period of time.

You talked about how some law enforcement authorities or agencies have discussed the extent to which distracted driving has become a very serious concern on our roads and highways. Not long after becoming the Minister of Transportation, I witnessed the release of a report—I think it was the CAMH report—that specifically talked about how our youngest drivers seem to have a great deal of difficulty understanding or accepting that distracted driving is a very, very serious problem on our roads.

Of course, with this legislation, as was the case in Bill 173, we've decided to move forward with increasing the fine range for distracted driving. If passed, this legislation will mean that the fine range lands between \$300 and \$1,000. We've added three demerit points to the sanctions.

You mentioned statistics. I'm really proud of the fact—

The Chair (Ms. Cindy Forster): Thirty seconds, Minister.

Hon. Steven Del Duca: —that we've included provisions or sanctions to deal with drug-impaired driving.

Mrs. Kathryn McGarry: Yes.

Hon. Steven Del Duca: In 2011, for example—and I talked about this on the day the legislation was introduced—somewhere in the neighbourhood of 45% of all fatalities from motor vehicle collisions involved drivers who had a combination of drugs and alcohol or drugs alone in their system. That's a pretty scary number.

Ontario is one of only three jurisdictions in Canada that don't have any sanctions specifically targeting drug-impaired driving. So the notion that we are moving forward with some sanctions around that particular piece, I think, is very important in terms of making sure we remain, as a province, at the leading edge of road safety. Thanks very much for that question.

1750

The Chair (Ms. Cindy Forster): Thank you, Minister.

Mr. Harris, 10 minutes; last round for today.

Mr. Michael Harris: All right, thank you. Minister, I'm not sure if you're aware of an incident on Highway 527 up in Thunder Bay that led to a fatal accident. There was a washout at a culvert along Highway 527 that led to a fatal accident. Can you explain to the committee how frequently culverts in Ontario are inspected?

Hon. Steven Del Duca: Between the deputy and Gerry perhaps we can provide specific details around culvert inspection and the frequency thereof, but I would say that I'm not aware specifically of the accident that you're referring to. Of course, it's always very, very serious and of grave concern to me and the rest of our ministry whenever there are significant or any accidents on our roads, frankly.

Mr. Michael Harris: There was a washout.

Hon. Steven Del Duca: I was just going to mention, and something specifically around a washout: I don't know of the details. I'm going to ask Gerry or the deputy to speak to the frequency of the inspections. I just wanted

to say—a serious concern, of course, when that kind of thing takes place.

Mr. Michael Harris: Sure, absolutely.

Ms. Carol Layton: Gerry?

Mr. Gerry Chapat: Sure. Gerry Chapat. One of the aspects about culvert inspections is not—we have a requirement in our contracts for contractors to inspect those culverts on a regular basis. One of the best methods of inspection is actually part of the patrolling. So when a person is driving down the highway, which the patrollers are required to do to be aware of the highway conditions, both in the winter and in the summer, they become very familiar with the cross-section of the highway. They become very familiar with where those streams and crossings are located.

One of the things they look for as they're driving is a dip in the pavement, a tilting of the shoulders, a tipping of the guide rail, or potentially a small pothole developing or some sort of sign. It's unusual for them to collapse immediately, which would be more in line with a washout, which you're talking about, but something that would be more gradual or it would provide a symptom of when there would be a collapse.

Mr. Michael Harris: So there's no real frequency as to which they're stipulated to be inspected?

Mr. Gerry Chapat: Again, as part of that patrolling they would also notice if there was flooding on one side or a difference of elevation of flow in terms of a lot of water on one side and not as much on the other—it would indicate that there was a plug. That would be something else that they would have to do.

Mr. Michael Harris: So is there not a scientific way you can inspect these things by actually going down to the culvert and taking a sample, perhaps? Are you saying that the ministry's inspection policy is to drive over potentially problematic culverts?

Mr. Gerry Chapat: No. There is also a requirement to get out of the truck in the spring and inspect the culvert. They don't take a sample of it. Sometimes they're under water. Sometimes it's an occupational health and safety hazard. You have to have two people and possibly a boat, depending on the size of the stream and the water. But what they look for is a culvert that might be out of round—if it started to become oval. They look for it to be tipping at the ends, which would mean you may have a problem in the centre. They look for corrosion, if it's a steel pipe. They look for separation, if it's a concrete pipe, where the liner is joining. They look for debris that may have accumulated at the end, and they look for erosion around the end of the pipe where it may mean that water is not going through the pipe but on the outside walls, which would then cause erosion and—

Mr. Michael Harris: So it's my understanding that in reference to the Highway 527 tragedy, out of the 58 culverts inspected in the Thunder Bay area, 29 of them were recommended for replacement. I'm just wondering if you can tell me how many of those 29 have, in fact, been replaced.

Mr. Gerry Chapat: I'm not aware of our plan on replacing them and when they would fall in terms of a schedule. What we would do is continue to monitor the condition of those culverts through drive-by inspections and through regular maintenance inspections that would occur in the spring or the fall.

Mr. Michael Harris: Perhaps that's something you could get back to me on. I believe it's in a specific zone—district 61.

Culvert inspections recently: How many of them were done and how many were recommended to be replaced and what action will the ministry take to replace those culverts?

Mr. Gerry Chapat: Just excuse me, but district 61 is quite large. Is there a section on 527? Did it give any limits within the highway itself?

Mr. Michael Harris: I'm not exactly sure where the accident occurred. It was on Highway 527 north of Thunder Bay. I'm not sure if the ministry houses a database of culverts in Ontario that would help them identify when they are inspected, roughly the recommendations in terms of replacement, and a plan—does the ministry have a plan, actually, to periodically or routinely or annually replace these culverts? I'm not sure how many culverts there are in Ontario. I don't know if you have that number, that you actually know where they are and how many there are.

Mr. Gerry Chapat: No, I don't know that number. It's significant. What we do have is an information system. We call it the drainage information management system, or DIMS, which we have been populating over the last few years and continue to populate with data. We have various types of pipe products that are used under our highways that have 25, 50, and 75-year design lives that we put in specific applications, depending on the chemistry of the water, the corrosive aspects of it.

As those culverts are traditionally replaced during our regular rehabilitation projects that we perform on the highway, if they're in need—I mean, obviously we're not going to replace a 75-year pipe at year 20, but when the pavement is being rehabilitated, the culverts are inspected as part of the preliminary design and then they would be scheduled as part of that capital program.

Mr. Michael Harris: So there's no real allotment within the ministry's budgets to replace culverts in Ontario, or is it just through general—

Mr. Gerry Chapat: Well, we try and bundle it with our capital program. If we see a need or a risk of safety for another specific culvert, we will replace that one on an individual basis or group it with several culverts on the highway or in the location or area to be more—

Mr. Michael Harris: Is there an allocation of funds annually for that specific culvert replacement?

Mr. Gerry Chapat: We would take that specifically out of our capital construction budget, but the AMC, the area maintenance contract, has an annual in-scope culvert replacement requirement—or availability of funding to them to use if it's required.

Mr. Michael Harris: Is there a way you can provide to the committee what the ministry spent on culvert replacements, specifically, say, last year or what they feel they'll need to budget for this year?

The Chair (Ms. Cindy Forster): Two minutes left.

Mr. Gerry Chaput: It would be very challenging because, as I mentioned, we do most of them through a capital project that includes resurfacing, bridge rehabilitation etc. To go and draw out the actual item costs of what we spent on culverts within that specific project would be very labour-intensive.

I could go back, though, and probably find what we've spent through the maintenance contracts. It may be easier to determine, but I'd have to go back and check.

Mr. Michael Harris: Sure. Quickly, because I know I don't have a whole lot of time, Highway 7, Kitchener to Guelph: Minister, when do you expect construction to start on that project and when do you expect—three questions. When will it start, how much will it cost and when are you going to finish it? Three questions.

Hon. Steven Del Duca: Yes, great, three questions.

The Chair (Ms. Cindy Forster): Ten seconds for each answer.

Hon. Steven Del Duca: Ten seconds? Oh, that's not fair.

Mr. Michael Harris: For each. That's 30; you've got 30 total.

Hon. Steven Del Duca: Well, I don't know. Do I have 10 or do I have 30? I'm not sure.

The Chair (Ms. Cindy Forster): Thirty in total.

Hon. Steven Del Duca: Really, really quickly: As I'm pretty sure you know, the ministry is in the process of carrying out detailed design work on property acquisition in order to begin construction of this new highway in 2015. I was actually thrilled, just the other day, in the fall of 2015, from what I understand—I was really thrilled the other day to read this article, October 27, from the Guelph Mercury, to talk about this particular project. I know it's very exciting for you. I know how hard the former member from Kitchener Centre worked on this, and the new member from Kitchener Centre will continue to advocate for it. Hopefully, when I'm back here tomorrow, we can talk more about it.

Mr. Michael Harris: We'll finish up on those.

Hon. Steven Del Duca: Okay. I hope so.

The Chair (Ms. Cindy Forster): Thank you so much. You'll have the balance of your time when we come back tomorrow after routine proceedings—10 minutes.

We have approximately one hour and 43 minutes remaining on the review of estimates of the Ministry of Transportation after today. I understand that there is some agreement for tomorrow afternoon; that we will not bring in the Ministry of Community and Social Services until the following Tuesday, because they would just really start and not even be able to do their entire 30 minutes. Is there agreement on that? Yes.

Okay, then we're adjourned.

The committee adjourned at 1800.

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Journal des débats (Hansard)

Mercredi 29 octobre 2014

Standing Committee on Estimates

Ministry of Transportation

Comité permanent des budgets des dépenses

Ministère des Transports



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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

STANDING COMMITTEE ON
ESTIMATESCOMITÉ PERMANENT DES
BUDGETS DES DÉPENSES

Wednesday 29 October 2014

Mercredi 29 octobre 2014

The committee met at 1600 in room 151.

MINISTRY OF TRANSPORTATION

The Chair (Ms. Cindy Forster): Good afternoon, members. We're here to resume consideration of the estimates of the Ministry of Transportation. There is a total of one hour and 43 minutes remaining.

Before we resume consideration of the estimates of the Ministry of Transportation, if there are any inquiries from the previous meeting that the ministry or minister has responses to, perhaps the information can be distributed by the Clerk at the beginning in order to assist the members with any further questions. Are there any items?

Ms. Carol Layton: Not today, no.

The Chair (Ms. Cindy Forster): Not today. Okay.

When the committee adjourned yesterday, the official opposition had the floor with 10 minutes remaining in its rotation. I will turn the floor over. Mr. Harris.

Mr. Michael Harris: Great, thank you. Good afternoon, Minister.

Minister, I want to start off today—we did leave Highway 7 questions, but I'll just submit an order paper question and get a written answer, so I'm going to move on. So expect those and I'll allow you to answer it there.

Hon. Steven Del Duca: Thank you.

Mr. Michael Harris: Minister, your ministry partnered with the Canada Border Services Agency for safety roadside blitzes. How long, up until you recently asked them not to participate, were they participating in roadside blitzes?

Hon. Steven Del Duca: We'll get you the answer on exactly—so you're asking when those—

Mr. Michael Harris: No; how long had they partnered up until you asked them to no longer partner with you? How long had they done so? Any idea, roughly?

Ms. Carol Layton: We have been partnering with various enforcement agencies for a number of years. With the CBSA, this was a fairly unique one, and so I can't tell you how long. We do, for example, use the Canada Border Services Agency at the border—

Mr. Michael Harris: Right, right.

Ms. Carol Layton:—where we just use their parking lot.

Mr. Michael Harris: Specifically this—perhaps you'll get back to me—

Ms. Carol Layton: This was a unique one. In my recollection, I'm not aware of one like what this one was.

Mr. Michael Harris: I'm wondering what the duration—as to if it had been six months, a year, two years, so if you could get back to me on that one, that would be great.

Ms. Carol Layton: We'll get back to you. Yes.

Mr. Michael Harris: Minister, you did write the federal Minister of Public Safety, but you had commented on the fact that they were no longer going to participate in these roadside safety blitzes with the varying law enforcement agencies because you had said you had ordered a review. What did that review produce?

Hon. Steven Del Duca: You're 100% right in that, when I learned, over—I'm trying to remember the exact date now; I don't. I believe it was sometime in August—

Ms. Carol Layton: Yes.

Hon. Steven Del Duca: Sometime in August, I learned that this had taken place. What I had asked internally at MTO was that we conduct a review, essentially, from my perspective, to determine what potential alignment there is between the Ministry of Transportation and not just the Canadian Border Services Agency, but what kind of alignment there is with respect to whatever law enforcement agencies—for example, other ministries, agencies etc.—that we may partner with on, say, commercial vehicle road safety blitzes in order to determine what the objective is, to make sure that the objective is in alignment, that there's a shared objective that's in keeping with the Ministry of Transportation's primary responsibility as it relates to these activities, which from my perspective is making sure that Ontario's roads and highways remain amongst the safest in North America. That was the request that I had made with respect to the review.

Mr. Michael Harris: Right. What did that review produce, pertaining specifically to the CBSA that you decided to ask them to no longer be a participant?

Hon. Steven Del Duca: It was a fairly quick turnaround because it was a matter that was of some importance to me—that we have a clear sense of exactly what direction we had been taking and would be taking in the future by way of a recommendation. The recommendation coming forward, amongst other things, was that there was a less clear alignment, I suppose I would say, between the Ministry of Transportation's objectives and those of the Canadian Border Services Agency. Based on that aspect of the report's findings and the recommendation flowing from that portion of the findings, I decided

to send the letter that you had referenced in your opening to Steven Blaney, where I confirmed that, going forward, the Ministry of Transportation wouldn't be partnering directly in terms of sharing the resources for commercial—

Mr. Michael Harris: Right. Could you table that report to this committee?

Hon. Steven Del Duca: I'll take that back.

Mr. Michael Harris: We would ask that that report be tabled to the committee. I guess I'm specifically asking: What from the review specifically said to you, "This doesn't match our alignment"? I guess you said here that this does not align with the ministry's mandate, so what is the mandate?

Hon. Steven Del Duca: The mandate was, broadly speaking, what I talked about a second ago, which is making sure that Ontario's roads and highways remain amongst the safest or the safest in North America. That's something that I think you know. I say it all the time because it's a very, very important foundational kind of element of my mandate as the Minister of Transportation. It's one of the reasons we introduced Bill 31 last week, which we talked a bit about yesterday. Taking into account that primary responsibility, one of my primary responsibilities, I wanted to make sure that when we were partnering that we were doing so with organizations, entities, levels of government—that's a broad way of describing whoever we're partnering with—that there is a clear alignment between those two.

Mr. Michael Harris: In mid-August, there was an actual safety blitz. I'm not exactly sure where it was. I believe it was in Toronto somewhere. There were 21 undocumented workers who were arrested as part of that safety blitz. Do you know if any of them, or all of them, actually possessed a valid Ontario driver's licence? Are you aware of the charges that were laid?

Hon. Steven Del Duca: I know that there were a number, and I'm sorry that I don't have it off the top of my head right now, because MTO is there in its capacity to determine whether or not the vehicle itself and the driver are adhering to the rules of the road essentially. That's my layperson's way of explaining it.

Mr. Michael Harris: Would a driver's licence be a part of adhering to—

Hon. Steven Del Duca: There is a request for documentation, including drivers' licences, whenever these individuals are stopped. I know there were a number of vehicles that actually had issues. When I say "vehicles," I'm talking about the physical—

Ms. Carol Layton: Mechanical fitness.

Hon. Steven Del Duca: Mechanical fitness. Thank you, Deputy.

There were a number. I just forget the number off the top of my head. Deputy, I'm not sure if you know.

Ms. Carol Layton: I don't recall.

Hon. Steven Del Duca: But there were a number involved in that particular blitz that MTO officials felt didn't meet the standards that are required for, as the deputy said, mechanical fitness, and so—

Mr. Michael Harris: I guess I'm kind of focusing in on the 21 undocumented workers who were arrested. You would likely have had some information on those charges, being that you teamed with those folks. I'm just wondering if—

Hon. Steven Del Duca: I had been aware in the past as it relates specifically to the MTO component, so the number of vehicles themselves that would have had some issue with respect to their mechanical fitness, you know—

Mr. Michael Harris: So you don't know if any of the 21 who were arrested by the CBSA—you weren't aware that any of them may or may not have had a valid Ontario driver's licence?

Hon. Steven Del Duca: I have not been specifically made aware of that. It's possible that through that process we, as a ministry, were made aware, but I was not specifically made aware of that.

Mr. Michael Harris: I'm just wondering. You know what? I like the safety blitzes; in fact, I stopped in at one in Kitchener recently and I saw the CBSA there. I thought it was good that partners across lines—including the OPP, the MTO, others—were ensuring that our highways are safe, and that includes vehicles that operate properly but, as well, the folks who are behind the wheel themselves, because at times they're driving down the road with 40 tonnes of cargo, and I did read a comment that these could be considered killing machines. We want to ensure that we've got the best people possible at the wheel.

I guess I'm concerned, and others are concerned, that perhaps you're turning a blind eye by asking the CBSA not to participate in these roadside safety blitzes.

Hon. Steven Del Duca: Just so we're clear on this, I think what people have to remember is that this in no way, shape or form limits, stops, in any way impedes the fact that MTO, which has been doing commercial vehicle safety blitzes, as the deputy said, since the 1980s and has a stellar record with respect to performing these—

Mr. Michael Harris: No. I get that.

Hon. Steven Del Duca:—nothing will stop as it relates to the Ministry of Transportation continuing to do roadside commercial vehicle safety blitzes. That work will still occur. It will occur, and I suspect—and I have a tonne of respect for the work that all government agencies at all levels have to do. The Canadian Border Services Agency will, I'm sure, continue to do its work as its mandate requires it to do at our borders and elsewhere, and I respect the fact that they need to do their work.

This is just a case in which my decision was based on what I had seen in the report, that I felt there wasn't a clear public policy alignment with respect to road safety and the work that particular agency was undertaking.

Mr. Michael Harris: How long did the review take to complete?

Hon. Steven Del Duca: The review took—I want to say it was about a month, but—

Ms. Carol Layton: Yes, about three or four weeks.

Hon. Steven Del Duca: Three or four weeks to conduct the review.

You asked a question a second ago, and I actually have the information now. There were 25 commercial vehicles that were inspected at that particular blitz that you were talking about, which occurred on August 14; 14 of those vehicles were placed what we call “out of service” by the Ministry of Transportation officials or staff that were there at that blitz.

The blitzes are ongoing. They occur from time to time in all parts of the province. You mentioned one in Kitchener. They happen all over Ontario. The work is great. It’s a very, very fundamental part of the work that we do to make sure that our roads are safe—

Mr. Michael Harris: No, and I get that—

Hon. Steven Del Duca: —and that’s not going to stop. I just want to make sure that’s clear.

Mr. Michael Harris: I think there’s value in having the CBSA partner with those other agencies, and I’d ask you if during one of the safety blitzes which happened in the past, they were pulled over and the driver was an actual illegal immigrant operating a vehicle on our roads, wouldn’t you see the benefit of having the CBSA there to ensure that if we want to keep our highways safe, we remove that individual from the highway?

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Hon. Steven Del Duca: My understanding of the situation—and this is based on what I have come to understand—is that, prior to the review, during the review and now following the review, if an individual is operating a commercial vehicle and is pulled over and is asked for their driver’s licence, and any information relating to an arrest warrant—I’m going to use that term broadly—any kind of arrest warrant is flagged when the driver’s licence is produced, there is still an internal informing of the agency or the authority that has issued or has put forward that arrest warrant. That could include something relating to immigration. It could relate to something involving the RCMP or the OPP—I’m speaking very hypothetically here—that that information is still flagged on the system and the responsible authority is still notified.

Mr. Michael Harris: Right away?

Hon. Steven Del Duca: As I understand it, it is fairly instantaneous. So if the—

Mr. Michael Harris: So are you saying that if there is an illegal immigrant operating a motor vehicle who’s pulled over as part of a safety blitz which the CBSA is no longer part of and the licence is run, it’s flagged that there is an outstanding warrant due to an immigration issue, the OPP or the appropriate official would immediately call—

Hon. Steven Del Duca: As I understand it, yes.

Mr. Michael Harris: So they would not be able to continue down the road? They would be—

Hon. Steven Del Duca: That is correct.

Mr. Michael Harris: —on the spot—

Hon. Steven Del Duca: That is correct.

The Chair (Ms. Cindy Forster): Mr. Harris, you have two minutes.

Mr. Michael Harris: What about any other—obviously MTO and CBSA are at the border, but if something—in terms of carrying a lot of workers or smuggling of people in the back of a truck, for instance—I’m just giving you an example—is pulled over in a safety blitz, what would happen then if the OPP or the MTO pull this individual over and find human smuggling perhaps going on? What would be the policy set out then?

Hon. Steven Del Duca: Again, my understanding is, at that point the OPP, who do traditionally and normally partner with MTO in these kinds of blitzes, would be engaged at that point.

Ms. Carol Layton: If I could just add as well—

Hon. Steven Del Duca: Sure, please.

Ms. Carol Layton: If I just could add: We do partner with the OPP but also other police service agencies. If it was the metropolitan police and it’s happening in Toronto, for example, it would be the relevant police authority. The MTO officers certainly do not have that jurisdiction.

Mr. Randy Hillier: Minister, I’d like to just bring to your attention that I was in contact with your staff earlier this summer regarding the CVOR branch. I’m not sure if you were made aware of my inquiries. When I contacted the CVOR branch, I phoned six different people on the website who were listed as contact points. I only got through to one person who was no longer in the CVOR branch but was in some other part of the ministry. I raise that question just for your knowledge, and maybe we’ll get more into this afterwards. The administration and management of that CVOR branch, I’ve heard many, many complaints of. From my own interaction with them, those complaints are very justified when you cannot contact anybody. Everybody was either on holidays or no longer worked there or was working in other areas of the ministry—not one valid contact point on the—

The Chair (Ms. Cindy Forster): Mr. Hillier, your time is up.

Mr. Randy Hillier: We’ll get back to that. Thank you.

The Chair (Ms. Cindy Forster): Thank you. Mr. Cimino, you have 20 minutes.

Mr. Joe Cimino: Thank you, Chair. Good afternoon, staff, colleagues and Minister. I was going to ask this later on if I had time, but this is a good segue into something I was thinking about as I was reading the new legislation, Bill 31, Making Ontario’s Roads Safer, which is our goal as all members. Correct me if I’m wrong, but in there it talked about a new system maybe for the vehicle inspection centre system. It was talking about perhaps a third party operator. Could you describe—if it’s a new model of service delivery for those centres?

Ms. Carol Layton: Sure, I’ll take that. We did talk a little bit about this as well yesterday. It is an outsourced function now. It is actually private sector-operated garages that provide those inspections for those used vehicles that are sold. We’ve had that model for a number of years, and, within the ministry, we then provide the

oversight of those many, many garages all around the province.

What we've sought through that legislation, if approved, would be the scope to think about modernizing that more, improving on it, because there's always room for improvement—

Mr. Joe Cimino: In what ways?

Ms. Carol Layton: Making it more efficient, and is there better use of technology? What are those different things and how much does MTO actually have to be in the business of doing the oversight as opposed to having more of a sector oversight? You might be familiar with some of the delegated administrative authorities, for example, you would have with the Technical Standards and Safety Authority, the Electrical Safety Authority. That's one model to think about but there are other models there to think about as well. Is there, for example, another type of entity, another body—it could be a non-profit organization, whatever—that actually is the overseer of that program as opposed to MTO doing that deliberately?

I think the point there is that it's allowing, in the scope of that legislation, for us to explore all of that in the context of thinking it through, the pros and the cons, the implications, the cost, all of that sort of thing, and then put it through the formal decision-making process, including potentially Treasury Board, the relevant committee of cabinet, all of that.

It's not a fait accompli. It's being permissive and thinking it through.

Mr. Joe Cimino: Have you given thought—or I guess we're too much in the infancy stage of this. Who would—this entity, as you quoted—

Hon. Steven Del Duca: No, the legislation hasn't passed yet. It was just introduced last week, so we're going to deal with passing the legislation. We're going through the committee process, like we normally would, with the legislation, if passed. Then we will deal with—

Mr. Joe Cimino: Yes, because the question I had is, who would control this entity?

Ms. Carol Layton: It would be premature for us to say that. I think the key thing is to do some consultation on it, think that through and determine whether indeed it's—we're only going to do it if it's going to be done and it's going to be a better performance and better outcomes—

Mr. Joe Cimino: Would the user fees pay for this, as it is now?

Ms. Carol Layton: The other point I wanted to make is that—and I did say it as well yesterday—we are bound by the Eurig rules, which was a Supreme Court decision a long time ago, a number of years ago. All ministries are bound by the Eurig rules in that we can only cost recover our programs, so when we do administer a program, we have to cost recover. We could be below cost recovery in many—and in some programs it was pointed out that there might be above-cost recovery. That list of programs is well known, certainly, to our colleagues in the Ministry of Finance, who follow all non-tax-revenue generating programs, all with the intent of bringing them into cost recovery.

Mr. Joe Cimino: Thank you for that. The last comment on this topic is that there is language in Bill 31 that says these new centres are not agents of the crown. This is not in the traffic act now, so I'm just wondering why the placement of that phrase in there.

Ms. Carol Layton: What that is actually—thinking through, in a sense, it would continue to think through the divestment of it. It would not be creating another agency. We're thinking about it in the context more of the private sector or the non-profit, but not another agency of government.

Mr. Joe Cimino: So just trying to think this through, if it's not a—what is the word again? So if that's the case, is it under the purview of government agencies—the Auditor General and the Ombudsman—for oversight? Would those bodies still have oversight over this new agency, if it's created?

Ms. Carol Layton: The program itself right now can certainly be looked at by the Auditor General, because right now it is a program that is funded by the province. If it's a program where we spend money for a service—so therefore, there would potentially still be a line in our printed estimates—again, if it is in that context, I could see that being an AG-reviewed program. But if it's completely divested—I think there's a spectrum that we have to think through, everything from contracting out right through to ultimately a complete divestment. We're not there yet. As to what that would be and therefore what the implications are for that legislative oversight that we're talking about right now, it's early days for us to think through those models.

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Mr. Joe Cimino: Okay. Thank you. I'll move on to trucks, transport trailers. Under the new proposed legislation, Bill 31, it talks about possibly, if the legislation is passed as is, allowing trucks to be 2.5 metres longer. In Sudbury and, I'm sure, in other municipalities, we have a major issue with—I see it as two issues: one with transports driving through residential streets that are not truck routes, and a big part of it is, it's through no fault of their own; GPS sends them through the shortest route. We don't have a complete bypass system around Greater Sudbury. From south to west, for example, it's easier to go down Southview Drive, and you pick up the bypass. Southview Drive opens up into the bypass. We'll talk about that later on.

Has your ministry given thought to the trucks as they are now, at the length they are now—and I've witnessed it myself, with tractor-trailers with cars on the back trying to go through these residential streets and holding up traffic literally for 15, 20, 25, 30 minutes as they're trying to manoeuvre through these new bulbouts that are part of traffic calming measures and the damage that that weight of trucks do on our residential roads that aren't designed at a highway standard in terms of holding that traffic. Has any thought been given about the length and what impact it might have residentially?

Hon. Steven Del Duca: There has been a lot of work that has taken place now over a number of months

between the Ministry of Transportation here in Ontario and the trucking industry. This is a request that has come forward not just here in Ontario. In fact, not that long ago I was at a meeting of all transport and transportation ministers from across the country, including our federal counterpart. At a national level, this was part of the discussion in terms of taking a look at ways of modernizing, improving and enhancing some of the standards around the maximum length, as you mention in this legislation, proposing to take it from 25 to 27.5 metres with the additional length.

There are a number of reasons for wanting to provide the additional length. Some relate to how this will help us in our fight against climate change, for example. Some are also as it relates to providing the truck drivers themselves with more comfortable sleeping berths. There are other reasons.

Specifically as it relates to whether or not there are potential implications for residential roads, it's hard for me to answer that question because I'm not familiar with exactly what kind of road you're talking about in the Sudbury area, but I would argue or I would suggest anyway very respectfully that, depending on the type of residential road that we're discussing, there probably are a number of measures that the local municipality could bring to bear in order to deal with traffic calming or perhaps diverting some of that heavy traffic, but then again I don't know the specific roads you're talking about.

Mr. Joe Cimino: The issue is that municipalities are so strained financially that even if they had measures to put in place, it's difficult for them. A lot of the time, we have bylaws in place. City bylaws derive from the fact that it's a non-truck route, and yet our bylaw officers don't have the authority to stop a truck. That's the issue. I'm not saying that the whole industry is not following the rules. It's obviously always a few that paint the bad picture for everyone, and it's unfortunate.

I don't know if MTO, through maybe the traffic act in terms of fines—I don't know if you ever gave thought to how else we can ensure that those trucks stay on the highways.

Hon. Steven Del Duca: Right.

Mr. Joe Cimino: Unless they're doing a delivery, obviously.

Hon. Steven Del Duca: I appreciate that feedback.

Ms. Carol Layton: If I may, it also does link back to the role of our police authorities, for example, and the OPP, as well as the commercial vehicle inspection program, to make sure that at least those trucks that are on the highways are actually ones that are mechanically fit and the drivers are respecting things like hours of operating the truck, and speed limiters are on those trucks to restrict the speed of them as well, to 105 kilometres. There's also that connection too, to make sure that they're safe and operating well.

Mr. Joe Cimino: Okay. Minister, maybe since we're on trucks—we talked about this in the House in terms of the media outlet and their investigation with truckers not being trained properly, I suppose: allowing them to drive

the 400 series as part of their assessment. You said that you were meeting with stakeholders over the issue. Can you elaborate?

Hon. Steven Del Duca: Yes, sure; absolutely. As I had said in my response to that question when I think you asked me the question in the House—

Mr. Joe Cimino: It might have been me or someone else.

Hon. Steven Del Duca: Yes. I think it was you—a great question and a great answer, from what I recall. Essentially, obviously concerns had been raised with respect to two things: One is that there is currently no mandatory training for someone who hopes to hold what we call an “AZ licence” to drive a truck. There had been a number of improvements brought to the system, both the training and the testing systems, over the last number of years. We've had some great success. From my perspective, we've seen that since 2010, for example, the last time that there were some changes, some enhancements made to the standards, we have seen the number of fatal collisions involving large trucks has actually reached a five-year low. It doesn't mean that our work is complete; we do have more work to do. What I've said publicly, what I've said in the Legislature, is that I am committed to helping Ontario move towards having a system in place to require mandatory training for those who hope to acquire that particular licence.

It does require that we work with the industry itself. To their credit, the Ontario Trucking Association has been talking to government for quite some time about the possibility of introducing a program that will provide that kind of mandatory training. We want to make sure we get it right. Also, of course, our colleagues at the Ministry of Training, Colleges and Universities—we have to work closely with them, because as is evident from the title of the ministry itself, there's obviously an important responsibility there with respect to training. That work is now being undertaken in a more urgent way to make sure that we can come back over the next number of months with a training program that makes sense.

The other part of the story related to what was taking place at one testing centre—

Mr. Joe Cimino: In terms of the tuition fees being under \$1,000—\$999 and below—

Hon. Steven Del Duca: Right.

Mr. Joe Cimino: —is that loophole being addressed?

Hon. Steven Del Duca: That's back to the training issue for a quick second. Everything is being discussed at this point. No final decisions have been made. That's the reason we're going to do the outreach. We're going to make sure that we get it right.

I was going to shift gears quickly for a second to go over to the testing aspect of it. That was one of the other portions of the story that you referenced in your opening. The Toronto Star had a story suggesting that one of the test centres in the GTA was perhaps not doing its work properly as it relates to whether or not a person who was being tested was taken on a 400-series highway, whether they were meeting guidelines etc. What I said—and

again, this is work that's ongoing—was of course, the Ministry of Transportation does conduct audits of our testing centres on a regular basis. I did say that we would send out resources, send out staff to take a look at that particular testing centre and at the same time move forward with the industry and the Ministry of Training, Colleges and Universities so that at some point over the next few months, following that consultation, we'll be in a place where we can introduce new mandatory training standards for all truck drivers.

Mr. Joe Cimino: Okay. Thank you.

I'm not sure, Minister, if this falls under your portfolio, but funding for Maley Drive in Sudbury?

Hon. Steven Del Duca: Right.

Mr. Joe Cimino: Obviously—
Interjections.

Hon. Steven Del Duca: Just double-checking.

Ms. Carol Layton: It's a local road. It did receive funding—I'm going to forget. I wonder if Gerry can remember—

Mr. Joe Cimino: It was promised funding.

Interjection.

Ms. Carol Layton: No funding. Okay. It's a local project in Sudbury.

Mr. Joe Cimino: My question is to that, in fact. Just quickly—I'm sure you know the file—Maley Drive is a road which will run parallel to Lasalle, so we have an issue with Lasalle Boulevard, a commercial road heavily used by residents. Slurry trucks going from source to smelter are really doing—that's the only route. It's really damaging the roads. I think \$9 million was just spent on some road repairs and road reconstructions in the past couple of years.

The question is, from being on council, I know that the total cost of that road, the Maley extension, is \$120 million. That's the last figure I saw, \$110 million to \$120 million. In the budget—and the money has not been given to the city of Greater Sudbury, or it's not put away; it's promised, if you will, pending matching federal dollars. The city has a third put aside. What's been promised is \$26.7 million; \$120 million divided by three is \$40 million.

Can there be any comment in terms of—and it says “up to” \$26.7 million. I'm just wondering where that figure came from.

Hon. Steven Del Duca: The language around “up to”: We include that in almost all of our public statements because at the outset, when we begin to fund large infrastructure projects, be they roads, transit or whatever it is, until the work is completed, you never know exactly what the final dollar figure will be. Of course, we always do our very best to make sure that we're spending tax dollars in the most effective, efficient and fiscally prudent way possible. Sometimes projects will come in at less than what would be originally announced. That's why we use the language “up to.”

As it relates to the precise dollar figure that will be invested on the Maley Drive project, I wasn't the Minister of Transportation when this project was approved,

let's call it, so I'm not sure whether or not there was a specific request made by the municipality with respect to what they were hoping the province would fund, or if there was some other formula that was brought to bear on this particular project.

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I know that I've heard the Premier speak directly about the importance of making sure that we provide this infrastructure support for the community of Sudbury. I know that the now former mayor, or soon-to-be former, because the election just took place, was obviously a very strong advocate and was successful in her advocacy to make us understand about the importance of providing this investment to that community, to your community, and I'm sure that that work will take place. I would also hope that yourself and others in your area are doing your best to communicate with your federal representatives—

Mr. Joe Cimino: Well, that was my next question: Is the province participating in any discussions with the federal government in terms of—

Hon. Steven Del Duca: This kind of work doesn't normally unfold in that way, unless there is some sort of formal negotiation or formal arrangement. But really—and this isn't the only project where we see this is the case—it's one of reasons that as chair of the Council of the Federation, the Premier has repeatedly said that we, Ontario, and every province and territory, needs a reliable, stable funding partner from the federal government or a federal partner at the table to provide sustained support for these projects. It's extremely important to the Premier. It's important to our government. A number of provincial Premiers and territorial leaders have also expressed that same desire.

In my conversations directly, whether I was at the federal, provincial or territorial meeting of all transport and transportation ministers or in individual conversations I've had, I've tried to relay that same sentiment to the federal Minister of Transport. I'm an optimistic person by nature, so I hope that we will have federal government support for not only the project in Sudbury—for example, the Ring of Fire—but for a variety of other transit and transportation initiatives that we hope to build out here in Ontario over the next decade.

Mr. Joe Cimino: I'm sure we'll talk about those, too.

The Chair (Ms. Cindy Forster): Mr. Cimino, you have two minutes to wrap up.

Mr. Joe Cimino: Two minutes? Okay.

Moving on to Highway 7, Kitchener to Guelph, really quick: Mr. Harris, yesterday, I believe, asked for clarification on the Highway 7 Kitchener to Guelph project. So one of my questions was when was it going to get started, and we now know that it will start in 2015.

Hon. Steven Del Duca: Early works will begin—

Mr. Joe Cimino: In fall—

Hon. Steven Del Duca: Yes. So design work and property acquisition is actually in the process of being carried out right now, and in the fall of 2015 we'll start the early work construction.

Mr. Joe Cimino: So my question is, in the last minute that I have here: “Highway 7 Moving Forward”—this is a news release that was sent out on August 8, 2012—

Hon. Steven Del Duca: Can I ask who it was sent out by? The Ministry of Transportation or—

Mr. Joe Cimino: The Ministry of Transportation.

Hon. Steven Del Duca: Thank you.

Mr. Joe Cimino: The title is, “Highway 7 Moving Forward; McGuinty Government Building Jobs, Building a Stronger Economy.”

Hon. Steven Del Duca: This would have been August of some other year?

Mr. Joe Cimino: In 2012.

Hon. Steven Del Duca: Thank you. Sorry, I didn’t hear that part.

Mr. Joe Cimino: In there it states, “Ontario continues to press the federal government for contribution to this important regional transportation corridor and has applied to the P3 Canada Fund.” Is the project a P3 project? Is the MTO still looking for this type of partnership?

Ms. Carol Layton: What usually happens there is that the P3 funding is—whenever we have to deal with alternative finance and procurement type initiatives under Infrastructure Ontario, the partner agency also looks for the scope for there also to be some support for P3 Canada funding. It’s not a large fund that—

Mr. Joe Cimino: Has that replaced the Infrastructure Canada fund of a time?

Ms. Carol Layton: So Transport Canada is one source of funding, right? There’s the Building Canada Fund, and under the Building Canada Fund there’s the national infrastructure component, there’s something called the provincial-territorial infrastructure component, and there’s also the P3 fund. It’s our colleague ministry, the Ministry of Economic Development, Employment and Infrastructure, that actually does the work with Ottawa, does the negotiation and helps to do the program design.

It’s through, though, our colleague agency, or the agency that they’re overseen by, Infrastructure Ontario, that they then think through which of those candidate projects to put forward for the P3 Canada Fund.

Mr. Joe Cimino: Is this one?

Ms. Carol Layton: That might have happened back then. I’m not sure of the status now.

Mr. Joe Cimino: Can you let me know?

Ms. Carol Layton: We can certainly get back to you.

The Chair (Ms. Cindy Forster): Your time is up.

Mr. Joe Cimino: I knew that was coming. So if you can let us know?

The Chair (Ms. Cindy Forster): We’ll move over to the government. Mrs. McGarry, you have 20 minutes.

Mrs. Kathryn McGarry: Thank you very much. Minister, I know that during the Making Ontario’s Roads Safer launch a little while ago—last week, in fact—one of the exciting things for myself, not only as the member for Cambridge in order to protect my own citizens and riding, but also as a nurse, what I’m really anxious to see

happen is charges that could come forward to those who are driving impaired from drugs, not just alcohol.

Interestingly, my background, as you know, is as an emergency room nurse. I recall one evening I was working the night shift. I had only just started, and we had a call from our local police and our EMS that they were bringing in a motor vehicle crash victim who was in his early 20s and appeared to be impaired.

Eventually, he arrived in the emergency department and they were unable to stand this gentleman up to get him into the stretcher. They actually had to carry him across to the stretcher, and, indeed, to all of us present, he did appear very impaired. During the course of his treatment, he ended up with injuries, but he was able to be assessed, treated and released.

Interestingly, the police investigation which happens during the time that he’s in the emergency department involved a breathalyzer. When they did the breathalyzer, this young man had no evidence of alcohol in his bloodstream. As a matter of fact, it was within normal readings. He hadn’t had any alcohol, but he was obviously very impaired, unable to stand, really unable to recount what events had happened in the accident. He had been seatbelted. He had rolled his car over, but didn’t appear to have any head injuries.

I think it was apparent to all of us working in the emergency room that night that we really needed to address some of the drug-impaired people out there. He was obviously in trouble. Apparently, according to the police, one of the witnesses had actually been on the highway—it was a two-lane regional road, so speeds of 80 kilometres an hour on this particular road. He had apparently suddenly just veered across the yellow line and almost into the path of an oncoming car, had hit a ditch and rolled over and they were able to get him out.

What worried me almost more than anything else was that later that evening, my husband called me at work and he was the one this driver almost hit. He had been carrying my young son home from one of his lessons. So it hit me not only as a nurse involved in public safety and looking out for our fellow citizens, but this young fellow almost hit my family.

So it became crystal clear to me that we need to move forward at looking at some kind of way of not only being able to screen either at the roadside or have some measure of whether somebody has been using drugs or not and move forward on legislation, probably similar to the way that we manage with folks who are driving impaired under the influence of alcohol.

I do know that at the end of this one particular case that I’ve been talking about, when the officers searched the car, they were able to take a couple of baggies of unidentified pills out of his car. They had found a substance that they thought was marijuana. In the end, they were only able to convict him over a violation of the Highway Traffic Act. They were not able to charge him with impaired.

Interestingly, over the course of my next few years in the emergency room department, what was evident to

myself—and I think we discussed the percentage of how many folks are not only driving impaired through alcohol, but the combination of drugs and alcohol is certainly significant. That worried me too, because we were in the emerg department always having to work with our police officers as partners, to be able to allow them the time and the room to take a breathalyzer and respecting the patient's privacy. We weren't able to give them information that way, but usually those folks then dealt with the police after.

I was concerned about that, and I think just a follow-up on that is that both of my sons are just starting out on their drivers' training. I have a 17-year-old and a 20-year-old who are just about to do that. They know for sure that they're not allowed to get into a car with their friends with an impaired driver.

Interestingly, my 17-year-old just told me recently that one of his friends was actually driving and had had no alcohol—he's on the graduated licensing program—but the scary thing to me was that this student was driving under the influence of marijuana, and his comment was that he felt that because he knew he was smoking marijuana, he was able to manage the car better because he was much more alert and sensitive of the fact that he was stoned. I kind of chuckled, because I remember hearing those arguments when, many decades ago, I was a teenager and people used to think that if they were driving impaired, they were better drivers because they were just at heightened alertness. So I was concerned about the education part of the whole idea of not just distracted driving and not just impaired driving from alcohol but impaired from drugs as well.

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My final comment is that I do know, as an emerg nurse, that in order to get a full drug profile to see if a patient has actually had drugs in their system, it was a fairly complicated way of being able to measure that, with two samples needing to be provided to be able to do a full drug panel screen. I was interested, when we were launching the new legislation, that Australia seems to be ahead of us in terms of developing a way of being able to do a drug test at the roadside that's not as invasive as what we do in the emerg department, but that may be able to sort of be our roadside test, like a breathalyzer is.

After the long preamble, I guess really what I'm asking is that perhaps you could provide this committee and myself with a few more details about looking forward to being able to deal with drug-impaired drivers at the roadside, the education that we can roll out to ensure that the people and the drivers of Ontario recognize that driving impaired from drugs is the same as driving impaired from alcohol, and how these new rules might make our roads a little bit safer.

Hon. Steven Del Duca: Sure. Thanks very much for that question. This did come up, as you know, a little bit yesterday here at committee, but I'm very, very happy to have the chance to speak a little bit more about the importance of that component. Obviously, the legislation, Bill 31, is a very large piece of legislation, very compre-

hensive, as I've mentioned, the consolidation of two former bills that died on the order paper. But this component is one of those items, as you know, that is new; this was not part of the old Bill 173 or the old Bill 34.

As I said yesterday, Ontario remains one of only three jurisdictions in Canada that has no sanction for drug-impaired driving. So we wanted to, through the ministry—I know there's been discussion about this for quite some time. I felt it was important to move forward to provide some kind of penalty or sanction for those who, unfortunately, would still choose to become drug impaired before driving. I always say this: It's really important, I think, for all of us to remember that driving in Ontario is not a right, it's a privilege. One of my fundamental responsibilities, working with the fantastic team at the Ministry of Transportation and all of our road safety partners, is to make sure that our roads remain safe for people who are using them. So as I said, I wanted to include in this legislation something that would ensure that Ontario remained right at the leading edge or at the forefront of what's taking place. What we've done in this legislation is include escalating sanctions for people who, within a five-year time frame, have first, second or third offences with respect to driving under the influence of drugs.

You mentioned statistics in your opening to the question, and I've talked about this as well. The numbers are a little bit scary. In 2011, 45% of the individuals involved in vehicle-related collisions that led to deaths had a combination of either alcohol or alcohol and drugs in their systems, so it's a fairly substantial number. There are some of our road safety partners who talk about the fact that many people in Ontario, particularly younger people, over many years of education, have gotten the message about the dangers of alcohol-impaired driving, but perhaps there hasn't been the same emphasis placed on drug-impaired driving, and therefore they don't realize that it's as dangerous, if not potentially more dangerous because they're unaware, because there hasn't been the same robust education—

Mr. Randy Hillier: Chair, point of order.

The Chair (Ms. Cindy Forster): What is your point of order, Mr. Hillier?

Mr. Randy Hillier: I've not heard any financial question here or anything to do with the estimates whatsoever, except for a bill that was recently introduced and has no bearing on the estimates committee whatsoever.

Mr. Han Dong: Madam Chair, they just talked about border services for like 20 minutes.

The Chair (Ms. Cindy Forster): Excuse me, Mr. Dong. The questions can be about policy issues as well, and so it is—

Mr. Randy Hillier: That are contained in the estimates.

The Chair (Ms. Cindy Forster): That are contained in the estimates.

Mr. Randy Hillier: This is not in the—

The Chair (Ms. Cindy Forster): We're talking about the administration of the ministry.

It is Mrs. McGarry's time and we'll turn it back to her.

Mrs. Kathryn McGarry: Thank you. I might just indicate that as a nurse, I know that any motor vehicle crash has a huge amount of influence on the health care dollars that we spend to tidy up people after a motor vehicle crash. So, indeed, it does cost us as taxpayers to have these crashes.

Hon. Steven Del Duca: As I was saying, the statistics are there. They are something that definitely was of great importance to us as the Ministry of Transportation and as a government with respect to making sure that we brought forward these sanctions.

You're right, in that we don't currently have in Ontario the technology that would be analogous to the breathalyzer for alcohol-impaired driving. What we see in the legislation is providing police officers across Ontario—those who are trained in something called the standard field sobriety test. There are roughly 1,300 or so women and men in law enforcement across the province who have this specific training.

I've had the chance, anecdotally, to speak to officers, for example, from York Regional Police. There was a representative that day at the media announcement before we introduced the legislation who let me know that from what she understands, York Regional Police plans to actually expand the training so that even more officers would have that specific training in the standard field sobriety test.

This legislation would provide, in the short term, those officers who have that training with the ability to make the judgment call at the side of the road if they suspected an individual or had a reasonable belief that an individual was drug-impaired driving to conduct the test, make a determination and then apply a sanction, a licence suspension, at the roadside. That, as I said earlier, would escalate depending on the number of occurrences within a five-year period. There's also a fourth sanction that's a little bit more serious that would require yet again a differently trained officer, a DRE, as they're called, to do some work there.

But this is all at the same time that the Ministry of Transportation is working with the RCMP and working with others so that we can develop and have in place, hopefully in the relatively short term, the technology that would put us—you mentioned other jurisdictions like Australia that have this kind of technology—so that we'd be in a place around drug-impaired driving that would be very similar to the test that we can apply or that we do apply with respect to a breathalyzer.

It's important that it's in this legislation. It's very important, and I was very encouraged to see the number of our road safety partners that were there that day that will help us spread the message. They've been doing a lot of great work, as has the ministry, but by including it in the legislation, making it very clear that it's of significant concern and very dangerous and escalating—the public awareness raising messaging and also including those sanctions—I think we've got a healthy mix with respect to how we can improve on the situation.

The work will be ongoing. We're going to continue to work on the technology itself, but I do want to stress—

and I would encourage all members on all sides of the House to keep spreading the message as well to their constituencies. It's not acceptable to be drug-impaired, to be under the influence of drugs while driving. It's dangerous not only to the person driving, but to others in the car and others on our roads or on our sidewalks, pedestrians etc. Hopefully we'll be able to work to pass this legislation as quickly as the process will permit, get it to receive royal assent, get it enacted and provide our law enforcement officers/agencies with another tool to make sure that Ontario's roads remain as safe as they have been for the last 13 years.

Mrs. Kathryn McGarry: Thank you. As a nurse, I'm all about prevention because I always look at some of the monetary costs of either an illness or a motor vehicle crash or an accident of some kind, and it's not really just the human cost. It's really the cost to us as taxpayers in a number of different jurisdictions. Whether it's the health care field, our justice or our police costs, I think that accidents, motor vehicle crashes, these kinds of things really cost us all as taxpayers, and I do know that road safety is part of that.

Just as a further follow-up, in terms of the education piece—and I know we have a number of different partners that would assist us with that, the CAA and some of the other partners that we have. Just a quick question, really a follow-up about education, which would really prevent some of these tragedies from occurring: Can you give me any more details about a rollout of that kind of program?

Hon. Steven Del Duca: Sure. We know that we've had some tremendous success in Ontario. Organizations like Mothers Against Drunk Driving and a variety of others that have what I would call a very strong brand around communicating about the dangers of being under the influence of alcohol while driving—very, very happy to see that MADD and other organizations, Parachute and law enforcement and CAA who are all there, among others. The Ontario School Bus Association—delighted to hear the great news about the requirement for chrome yellow, which certainly seized the agenda yesterday afternoon here at estimates committee. I'm glad we were able to clear that up. But I know that a number of our road safety partners were very happy to be there to help us spread that message.

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The Ministry of Transportation will continue to do the work that's required, as we always do, around educating the public. But I think it's important for us to continue to partner with these external organizations to leverage their brand, and for them to leverage our brand as well. I have no doubt that over the next number of months, we will see a robust communications/public relations campaign launched and continue on an ongoing basis to be out there in the public domain to help make sure that people are made aware of the dangers of drug-impaired driving and all the other elements in the legislation: distracted driving, pedestrian safety. There's so much that's involved in this process. Cycling: We could do another 10

hours here at estimates on cycling alone. I'd love to be able to talk about how fantastic it is that we've included some additional measures around cycling in our legislation.

Ms. Soo Wong: Madam Chair, do we have time for more questions from this side?

The Chair (Ms. Cindy Forster): You have two minutes.

Ms. Soo Wong: Two minutes? Okay, quickly.

The Chair (Ms. Cindy Forster): Question and answer.

Ms. Soo Wong: Minister, I know that you recently introduced legislation not just focused on drivers but also on pedestrian safety. Can you share with the committee what our government is doing to protect pedestrian safety, particularly on roads and sidewalks? Just before I walked in here this afternoon, a third pedestrian in Scarborough was killed in the same intersection. So your proposed legislation—if you can share that with us, that would be great.

Hon. Steven Del Duca: That's a great question and obviously a very timely question. It's certainly tragic news, hearing today about what's taken place in Scarborough, and whenever there's a pedestrian who's unfortunately injured or killed on our roads. The day I spoke about the legislation at the media event, I talked about how the statistics demonstrate that we've had some tremendous success around pedestrian safety, that the numbers are looking better today than they have for quite some time. However, there still remain far too many accidents, collisions, occurrences, tragic situations on roads across Ontario involving pedestrians.

This legislation, among a lot of other things, would require that a vehicle wait until a pedestrian has cleared the entire crosswalk before it can proceed across or through that particular intersection or crosswalk, which I think is important. You see some who wait voluntarily until a person has crossed the entire crosswalk, but many will wait until a pedestrian, especially a group of pedestrians, has gotten just beyond their vehicle, and then off they go.

This legislation, through that element and through a number of other components in it, will help provide pedestrians with that extra measure of safety. But it also requires education and awareness-raising. Like the other elements—the drug-impaired driving and distracted driving pieces—we have to make sure the message gets out. If you're a pedestrian and you're walking on the roads, you don't have the protection of all that steel and everything else around you that you may have in a vehicle. So we definitely have additional work to do.

Ms. Soo Wong: Thank you.

The Chair (Ms. Cindy Forster): We're going to move into the last round, and we have a vote in the House at some point, so 16 minutes for each party.

Mr. Hillier:

Mr. Randy Hillier: Minister, I'm just going to ask you a couple of brief questions here. First off, Metrolinx falls under regulation 440/09, which compels them to

post their expenses online quarterly. For the last year they have not posted any expenses online. Are you aware of that?

Hon. Steven Del Duca: Have I specifically looked at the online expense report? I have not, no.

Mr. Randy Hillier: Can you tell me: Are they an agency of your ministry?

Hon. Steven Del Duca: They are.

Mr. Randy Hillier: They are also obligated by the Metrolinx Act, 2006, to table their financial report by July 31 each year. Have you received their financial report for this year?

Hon. Steven Del Duca: We have.

Ms. Carol Layton: It's being reviewed.

Hon. Steven Del Duca: I understand from the deputy that we have and it's being reviewed.

Mr. Randy Hillier: It's being reviewed. It's to be received by July 31 each year, and it is to be tabled with the Legislature within 60 days of your receiving it before July 31. It hasn't been tabled with the Legislature yet.

Hon. Steven Del Duca: Sorry. Your question was confusing. You said it needs to be tabled by July 31, but 60 days before it's been tabled—

Mr. Randy Hillier: Sixty days after. So it ought to have been tabled on September 30. We weren't in session on the 30th, so that would be the next sessional day, which was October 20. It still hasn't been tabled. Why have you not met those statutory obligations, and why has Metrolinx not met their statutory obligations under regulation 440/09?

Hon. Steven Del Duca: Is the second part the portion relating to its expenses?

Mr. Randy Hillier: Yes.

Hon. Steven Del Duca: I haven't checked to see on the website, I guess, or wherever it is that you're talking about. I will gladly take a look at that, with respect to the tabling of the—

Ms. Carol Layton: They've tabled a financial document as well as the annual—they haven't tabled it yet, but they've submitted it to the ministry. I think we received it last week. And so that review is—

Mr. Randy Hillier: It does concern me that they haven't tabled any expenses for the last calendar year even though they have a statutory obligation to publicly disclose.

I want to just say one more thing on the CVORs that I was going to previously. Minister, I've been receiving many, many calls from constituents regarding the CVORs, and it appears that the CVOR threshold has been changing over the years, but there is no mechanism employed by the ministry to identify to people when those changes happen and when their vehicles now become subject to the CVOR regulations. This goes with vehicle weight—different things. I have a number of cases where people have been caught under this new threshold.

My question to you—well, more of a statement—before I put it off to my colleagues is, I'm beginning to have some doubt and some suspicion about just how

much oversight there is on your administration after hearing your deputy last week regarding the medical reviews and the DriveABLE and the stories there; the stories on the CVORs; seeing what's going on here with Metrolinx not being in compliance with their statutory obligations. I think, Minister, it's time we be a little bit more open, a little bit more transparent and a little bit more diligent about what's actually going on in your ministry.

With that, I'll pass it over to my colleague, Laurie Scott, from Haliburton.

The Chair (Ms. Cindy Forster): Ms. Scott.

Ms. Laurie Scott: I had a couple of questions—if you can't answer today, it's okay, just to get the reports back. This is to do with the Brock township part of my area. In 2008 the province started work on—and I'll give you the names of the bridges—the White's Creek and Beaverton River bridges along Highway 12. The project involved the widening of the bridges to accommodate a hoped for four-lane expansion. That's been done—the bridge widening. The question is, when are the projected dates that you're looking at for the four-laning of Highway 12 and 48?

I believe it was in Planning for the Future—the minister's southern highways program—

Hon. Steven Del Duca: Right.

Ms. Laurie Scott: Oh, okay, so you guys probably know more detail—

Hon. Steven Del Duca: In last year's version? Do you know the date for the southern Ontario—

Ms. Laurie Scott: I might have it here. Just let me check.

Hon. Steven Del Duca: No date's been set for the starting of that work.

Ms. Laurie Scott: Yes. The southern highways program is 2013 to 2017, so it's got a range.

Hon. Steven Del Duca: That's what I thought. No date's been set for the starting of the construction.

Ms. Laurie Scott: So I guess we're just wondering, is it on the radar screen, is it on some—

Hon. Steven Del Duca: The ministry is aware of that project, but no date's been set for the commencement of construction.

Ms. Laurie Scott: So can you comment that—everything as in environmental assessments and everything technical is probably done since you already did the four-lane widening of the bridges—

Hon. Steven Del Duca: Sorry, do you want to know if the environmental assessment work has been completed or—

Ms. Laurie Scott: I'm just asking—including that, but anything technical that needed to be done is probably done because the four-lane widening for the bridges has already occurred. Right? So the rest of the highway, I'm sure, they did it all at the same time—maybe?

Ms. Carol Layton: Can we get back to you on that?

Ms. Laurie Scott: You bet. That's fine.

Ms. Carol Layton: If it's in the category of Planning for the Future, which was last year's plan, then definitely it's on the radar screen, because you did ask that. By

definition it is, if it's in the category of Planning for the Future. But in terms of the environmental assessment and all that, I just don't have the update on that specific project.

Ms. Laurie Scott: Okay. How do you guys prioritize projects? Because, obviously, I've talked about it. In 2008, the work was started for the bridges. It was talked about for a while. How do you that? Is it a year to year kind of—

Ms. Carol Layton: I could actually—sure, we can bring up Gerry Chaput as well, but I think we certainly prioritize our projects in many areas, whether it's a new project or an expansion project or a rehabilitation project, it all depends on the category, first, that it falls into. If we're talking about, for example, an expansion of a bridge or a rehabilitation, you are talking about the condition of the highway and the roadwork, and what has to occur, so maybe Gerry could elaborate on that.

Hon. Steven Del Duca: Actually, before you do, if I could say—for example, I was very happy to stand in your colleague's riding, in the riding of York-Simcoe, not that many days ago to announce the 13-kilometre extension of Highway 404—

Ms. Laurie Scott: Right—we'd like that to go to 48, which was the plan we'd set in place.

Hon. Steven Del Duca: Sure, but as a York region MPP myself, I know how happy the community was to learn about the fact that in the riding of York-Simcoe, held by one of your colleagues, that we were able to invest that \$100 million—very, very crucial—to extend that 13 kilometres north. But to your point about, specifically, what kind of criteria we use, as the deputy said—

Ms. Laurie Scott: I mean, that is all connected. When the minister—if I can—just mentioned that, that's kind of all connected to open up that part of the riding. Right?

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Hon. Steven Del Duca: It is, yes.

Ms. Laurie Scott: So originally, before 2003, we were set to expand it to—at some point the plans were in place to expand it to Ravenshoe Road from where it's extended—

Hon. Steven Del Duca: For 404?

Ms. Laurie Scott: Yes.

Hon. Steven Del Duca: And it is now, right? It's gone from Green Lane to Ravenshoe.

Ms. Laurie Scott: To Ravenshoe and then to Highway 48. So Highway 48 and Highway 12 run together, and that's, again, a connector for four-laning to open up that area of the riding just to more traffic and business etc. It's a good economic stimulus. So that's where we're kind of looking for that region.

Gerry, if you don't take too long in your answer, because I only have a few minutes.

Mr. Gerry Chaput: Sure. In terms of prioritization of our projects, we use asset management principles or basis to determine what projects we would do next. What we look at is if we're making the right investment at the right place at the right time. So we assess pavements and bridges on their conditions. We have a bridge priority

tool that sets out when bridges should be rehabbed, when highways should be resurfaced. A lot of it is based on the type of traffic that's on the highway, the volume, whether it's expected to increase, what the condition of the pavement is today and what its life cycle is, so how far along it is in its life cycle.

Ms. Laurie Scott: Yes, I understand all of that.

Mr. Gerry Chaput: So those are all accumulated. We have pavement management systems and a bridge management system that allow us to select priorities for the rehabilitation projects.

In terms of expansion, again, we look at the development of major corridors. We look at the development of major areas. We do multimodal studies to determine where we think the connection between growth points needs to be. We have planning studies that go on and environmental assessments to select a corridor and then another assessment that goes on after that to select, within that corridor, where the actual route would follow.

In a nutshell, those are how we select our priorities and determine which projects we're going to do. We also combine projects. We bring bridges up forward sometimes if we can accommodate that within a highway project just to get some economy of scale to avoid disrupting the traffic twice on the same section of highway. Likewise, we can sometimes defer a project so that we can combine or bundle it to get better value for the taxpayer.

Ms. Laurie Scott: Okay. So maybe, Gerry, could I contact you afterwards?

Mr. Gerry Chaput: Absolutely, yes. We can get you—

Ms. Laurie Scott: Just so I don't take minutes away from the committee.

My other—I'll just put it on the record and you don't have to answer now: Is the four-laning of Highway 35, from the 35/115 junction and 35 then comes into the Lindsay and Kawartha Lakes part of the area—it was talked about for a long time. I believe everything technical has been done. Again, it just says Highway 35 on the future planning. So I can talk details with you later, but that's what I just wanted to ask, because we know the 407 is coming to a certain point, at another point—2020, I think, was the last date—the 407 goes to 35/115. So we're just kind of looking at the four-laning of 35 to again open up that area of Kawartha Lakes.

Mr. Gerry Chaput: Sure. We'll have to take that back as well.

Ms. Laurie Scott: Maybe we'll talk offline, Gerry, to give you more details. Thanks.

The Chair (Ms. Cindy Forster): Mr. Arnott, five and a half minutes.

Mr. Ted Arnott: Thank you, Madam Chair. One of the projects that is aspirational in nature to the constituents of Wellington-Halton Hills is the Highway 6 Morriston bypass. The very day after the provincial election, on June 13, I went into my constituency office and I wrote a letter to the Premier. I said this to her:

"As you know from your tenure as Minister of Transportation, Highway 6 serves as a vital link between the

401 and the Hamilton/Niagara region and the US border. However, drivers travelling this route encounter a severe bottleneck in the community of Morriston, in Puslinch township, just south of the 401. Oftentimes traffic is backed up for kilometres in both directions.

"By constructing the Highway 6 Morriston bypass, this bottleneck would be eliminated, and traffic and goods could flow back and forth from Hamilton to the 401 more easily and "quickly and safely. There would also be a" huge "positive economic benefit for a large region of the province. There is a huge economic cost related to the current congestion at Morriston.

"As you know, I've been raising this issue in the Legislature for years.

"Working with the township of Puslinch and the county of Wellington, I have repeatedly written and spoken to successive Ministers of Transportation urging that the Highway 6 Morriston bypass project be placed on the Ministry of Transportation's southern highways program, MTO's five-year plan for new highway construction. I have also raised the issue many times in speeches in the Legislature.

"During the most recent provincial Parliament, after you became Premier," I said to the Premier, "I introduced a private member's resolution again calling on the Minister of Transportation to put the Highway 6 Morriston bypass on the ministry's five-year plan for highway construction. My resolution was the very first item on the order paper, as I tabled it the same day as your government's throne speech on February 19, 2013.

"This project has been talked about for a generation. It is time for this project to proceed.

"Once more, I urge you to prioritize this project and ensure that it is placed on the Ministry of Transportation's five-year plan for highway construction."

Of course, we were called back into session in July, shortly after the election, and I again tabled my private member's resolution. And I believe—yes, it is the very first item on the Legislature's order paper at present.

On October 6, a group that has formed, called the Morriston Bypass Coalition, met with many ministry staff, including staff of the Premier. Here are some of the key messages that they wanted to leave with the government:

"Intersected by Highway 6, the village of Morriston" in the township of Puslinch "has become a bottleneck at the centre of a main transportation and trade corridor. The two-lane stretch of road on an otherwise four-lane highway is impeding the movement of people and goods between Wellington county, the GTHA and the US.

"The Morriston bypass project would alleviate ever-worsening traffic issues in the area, saving local businesses and commuters more than \$15 million a year today, and more than \$30 million per year by 2031.

"Despite the long-acknowledged need for this essential infrastructure by the government, construction of the Morriston bypass project is now decades overdue.

"Businesses have made significant investments in the region on the understanding that the government was

moving forward with the Morriston bypass. With every passing year of inaction, the success of those investments, and the jobs they generated, are put in jeopardy.”

They talked about the Tim Hortons Guelph facility employing 500 employees; Maple Leaf’s new 282,000-square-foot distribution centre in Puslinch township; Canada Bread investing in a \$100-million plant in Hamilton; Nestle Waters Canada, Canada’s largest bottled-water manufacturer and distributor, 300 employees, with \$10-million to \$15-million worth of goods annually shipped through Morriston.

And they concluded with: “With their local main street serving double duty as a major transportation artery, local residents in Morriston have legitimate concerns about the safety and well-being of their families.”

Now, I know you’re aware of the need for this project, and I’ve raised it, as you know, many, many times in the Legislature. We have an outstanding group that’s been put together, in response to the request from one of your predecessors, Bob Chiarelli, that the township council go back and put together a group of advocates for this project. They have an outstanding group, representing industry, municipalities, chambers of commerce, and—

The Chair (Ms. Cindy Forster): Mr. Arnott you have one minute.

Mr. Ted Arnott: And my question is—

The Chair (Ms. Cindy Forster): That’s quite a statement. Question and answer, one minute.

Mr. Ted Arnott: —when will you place this project on the southern highways program, your five-year plan for new construction?

Hon. Steven Del Duca: I don’t have much time. I know how passionate you are and how consistent you have been on this issue. You’ve come to talk to me about it; I know you have raised it with others; you’ve sent correspondence. I get all that. I would like to see that document, for whatever it’s worth, after we’re done, because I haven’t personally had a chance to review that one.

Mr. Ted Arnott: Your chief of staff has it.

Hon. Steven Del Duca: That’s fantastic. That’s good. I know how important this is to you and to your community.

As you’re probably aware, the next version of the southern Ontario highways plan has not been released yet. That’ll be forthcoming in the near future. From what I understand, the environmental assessment work is completed. I’m not in a position today to make any formal announcements, but I do understand where you’re coming from. We should keep talking about this. I appreciate your patience on this item.

The Chair (Ms. Cindy Forster): Thank you. Mr. Cimino, 16 minutes.

Mr. Joe Cimino: This question is going to come later on, but this is a good segue again—

Hon. Steven Del Duca: Stop using their segues. I’m just teasing you.

Mr. Joe Cimino: Yes, they keep setting me up perfectly. It’s perfect. And maybe Gerry would like to give a comment.

Hon. Steven Del Duca: Don’t leave yet, Gerry.

Mr. Joe Cimino: Yes, don’t leave, Gerry.

Talking about bypasses, the southwest bypass in Sudbury: Again, Greater Sudbury doesn’t really have a complete ring road around it, but as you enter Sudbury, as you come from the south and head to the west—we have the southwest bypass—you can exit off into the former town of Walden. Anyhow, we talk about process, and in fact—it must be at least five years now—the environmental studies have been done, the consultant has met with the community several times and looked at various options, and the preferred option was chosen. We’re talking five years ago.

At that time, I remember as a councillor being told—I said, “When is this project going to begin?” “Well, the length of time it takes for us to design it, and five years is the length of time it would take us to complete it. So once we start, it’s five years to complete the project.”

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The southwest bypass—I discussed this when we were talking about service levels in terms of winter maintenance. My belief—and it’s my belief; I’m not an engineer, I’m a layperson—is that taking a look at volumes only as a criterion for which roads get plowed first doesn’t make sense, because we have roads like the southwest bypass which have been deemed dangerous through the fact that it was built 30, 40 years ago, probably 40 years ago, two lanes only and very narrow. We have two residential roads and an industrial road, Fielding, that intersects with it, and Southview Drive that intersects with it. It’s the same bypass, by the way: The transports come down Southview and enter the bypass that way. There are countless accidents. We had an off-duty police officer last year. We had a young gentleman coming back from hockey practice this year. It’s a construction that has to happen.

The preferred plan is four-laning, an access road and two flyovers, one on Southview and one over Fielding—so you bypass the bypass. The question is, where are we with that? We heard all these priorities over the last couple of days that I’ve been here. Everybody wants road work done, everybody wants environmental studies begun and everybody wants preferred options done. We’re at that stage with the southwest bypass. Is it on the radar? Where are we?

Hon. Steven Del Duca: Between the deputy and Gerry, they can perhaps respond to some of the specifics.

One thing that I forgot to mention in my response to Mr. Arnott, but it’s somewhat consistent with what I should be saying and part of my response to you as well: I think what we’re witnessing here at committee with these last two questions and some of the others is that no doubt, as I’ve said repeatedly, there is an enormous appetite in communities, from the north to the southwest to the east, for significant infrastructure investments. That, at its essence, is exactly why we came forward with a plan to invest \$29 billion over the next decade. Up to \$14 billion of that will be dedicated to transportation, transit and other crucial infrastructure in parts of Ontario outside of the greater Toronto and Hamilton area.

What I'm happy to hear, if anything else—and I'll ask Gerry or the deputy to speak specifically to your request—is that it seems, somewhat belatedly, particularly from the official opposition, a recognition that we can't cut our way to growth, that we can't slash and burn our way to a more prosperous Ontario, that we need to find a way to invest in crucial infrastructure.

I will tell you, in my two years serving as an MPP in this place, but also serving historically or acting as someone who observes Ontario politics fairly closely—as a former staff person in this very building a little bit more than a decade ago—it's encouraging to hear members of the official opposition actually talk about or demand and request that we provide infrastructure support for communities in their neck of the woods, but also communities across Ontario. I hope this newfound, recently revealed attitude with respect to the official opposition's desire to see infrastructure investments will find its way onto the floor of the Legislature tomorrow and in days to come, when their interim leader and others and their leadership candidates across this province are fanned out. I hope that they will applaud the fact that we will be investing this \$29 billion over the next 10 years.

I know that the third party's election platform contained some elements for the need for infrastructure investment, but again, going forward, I hope this sort of signals a new direction or a new day for both opposition parties, that they will work closely with us on making sure that we move Ontario forward by building it up.

With that, I'll ask Gerry to speak a little more specifically.

Mr. Joe Cimino: Gerry, just really quick on the southwest bypass, and then I've got a quick question.

Mr. Gerry Chaput: Sure. I'm familiar with the southwest bypass. I used to live in Sault Ste. Marie so I used to travel it a few times.

I don't have the details on the specifics of the project you're talking about. I know that the EA has been completed or was approved a few years ago. I also failed to mention, when I talked about prioritization, that we do look at safety. Obviously, safety is a key priority that we try to address or that we do address through our highway improvements.

On the sections of the southwest bypass, you're correct: We have not yet done the four-laning, but we have implemented other measures. We have done some improvements in terms of the clearing around those intersections. We did some rock removal a few years ago as well. We enhanced some of the signage by either providing oversized or higher-reflective sheeting as well. Those measures have been quite successful in reducing the number of incidents and collisions we've had at those locations as well as improving the overall safety of the bypass.

Mr. Joe Cimino: Those are great, and it would take away some negligence on the government's part in terms of that action has been taken. But we're looking forward to the whole project being done. I'll leave it at that.

Mr. Gerry Chaput: And we're more than happy to continue to monitor the situation.

Mr. Joe Cimino: Thank you.

In terms of the Highway 407 East Act, the proposed legislation, Bill 31—excuse me; my throat's very scratchy today for some reason. There are two things in there that I read that raise questions. One is, if somebody has unpaid tolls, their plates can be pulled when they re-register or when they go to renew their plates. At present, there's a notification period that the registrar has to give that person prior to them renewing their plates. This, and correct me if I'm wrong, has been moved from legislative to a regulation, so it could be changed at will, I guess, by the MTO. But my bigger concern is, why is that notification period being removed?

Hon. Steven Del Duca: My understanding is, and the deputy can correct me if I'm wrong—I don't think I am, though—the notification period is not being removed. What we are doing with that particular item in the legislation is moving to a situation whereby the plate denial opportunity, let's call it, for failure to pay someone's toll or someone's bill after using the 407 east would be consistent in terms of timing with the same period of time that is required or that exists under the 407 ETR.

So, of course, 407 east, the portion that's currently under construction—there's phase 1 and phase 2. The 407 east is a project that will remain in public hands. There is no plan by our government to sell or privatize the 407 east, unlike the 407 ETR, the existing highway, which, of course, every Ontarian knows was sold off many, many years ago in a fire sale attempt to prematurely balance a budget back somewhere around 1998 or 1999, to perhaps, some would argue, crassly win a few election seats or ridings in the 1999 election campaign. Having said all of that, the 407 east, the new portion that's under construction, will be publicly owned. The revenues generated will, of course, flow back to government. We wanted to make sure that the notification period around potential plate denial for having not paid one's tolls for using the 407 east was aligned or matches the plate denial period, or the notification period, for plate denial on the 407 ETR. So it's a question of making sure it's consistent.

Mr. Joe Cimino: Is there a notification period, then?

Hon. Steven Del Duca: On the 407 ETR, I believe it's 30 days.

Ms. Carol Layton: Absolutely, yes.

Hon. Steven Del Duca: Thirty days?

Ms. Carol Layton: Yes. What happened was that during the reading of the 2013 budget, there were an additional 30 days added, which took it completely out of sync with the 407 ETR. So what you would have—the 407 ETR, the private highway, is about a 108-kilometre highway. The 407 east is a 45-kilometre extension further east, as well as two north-south lanes, the 10 kilometres. So what you would have is, had we not made this, in a sense, a housekeeping amendment, which was brought in by the third party last round, you would have a complete—for somebody who's driving that stretch of highway, potentially you would have two different, in a sense, administrative regimes then not at all synchron-

ized. So the key thing was to treat that driver on the 407 east exactly as they are on the 407 ETR.

Mr. Joe Cimino: What would the notification period be, then?

Hon. Steven Del Duca: I believe it's 30 days.

Ms. Carol Layton: It's 30 days.

Mr. Joe Cimino: Thank you.

Ms. Carol Layton: And not make it 60 on one and 30 on the other.

Mr. Joe Cimino: Thank you for that.

Back to the 407 east: In the legislation, there will be a regulation, I guess, that each year the tolls would be increased with CPI. Correct? Does that also allow the freedom to increase beyond CPI?

Hon. Steven Del Duca: My understanding of what's contained in the legislation is that any increase over and above the CPI would require some kind of public consultation process. If there was a desire or an interest in increasing the tolls beyond inflation, there is a requirement, or would be a requirement, to do public consultation around why we want to exceed CPI with the toll—

Mr. Joe Cimino: What would the public consultation entail? I'm not envisioning public meetings. Is it a mail-out?

Ms. Carol Layton: It could be a posting. We have to talk that through. We have yet to set the tolls, as you can imagine, as well right now. It's a highway that's yet to be opened.

Mr. Joe Cimino: Thank you.

Something that's in the proposed legislation, and I hear a lot from the user groups, cyclist groups in my city, the cyclist union Rainbow Routes—there are really progressive people in the community looking at that transportation as what it is: alternate transportation, besides just recreation, which it also is. So there are some really good things that are in there, hoping to make it safer for cyclists, obviously, across Ontario.

In terms of dooring—somebody opens a door, a cyclist hits the door and gets injured and whatnot, or doesn't get injured. The way I understand it, it used to be listed, when the police would come and investigate, as a collision, and therefore there would be a method to document the amount of incidents. I understand that that's not happening now, that it's not listed as a collision. Is there any appetite to have it listed under the traffic act as a collision again so it's therefore documented by police services?

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Hon. Steven Del Duca: In the legislation around dooring, what we are seeking to do—the legislation, if passed, will increase the sanctions, essentially, for dooring of a cyclist. The fine range will increase and there will be an extra, from what I recall, demerit point, so it will go from currently two demerit points up to three demerit points. It's an increased penalty around those who were maybe found guilty of, as it is called, dooring. The legislation is focused on increasing the sanction, increasing the fine range, adding in a demerit point so that drivers understand exactly how serious it is and

make sure that they're aware of any cyclists who may be coming down the road before they open their doors.

Mr. Joe Cimino: And how are those documented?

Hon. Steven Del Duca: How are they documented?

Mr. Joe Cimino: Yes. It would be just an interesting fact to know that dooring happens—

Hon. Steven Del Duca: I think that's the kind of information that would normally be kept, I would think, anyway, by law enforcement, which is probably—

Ms. Carol Layton: Actually, we have Teepu here, who was here yesterday and who could possibly address that a little bit more in terms of how that's documented.

Mr. Joe Cimino: How much time left, Chair?

The Chair (Ms. Cindy Forster): Three minutes.

Mr. Joe Cimino: Okay. A really quick answer.

Mr. Teepu Khawja: I'll try to be quick. This came up a lot in the media as well a couple of summers ago in conversations with the police. What you're referring to is that right now under the HTA, if any collision results in an injury it needs to be reported. When we hear that the police are no longer tracking it, it's because when a collision occurs, they have to fill out a collision form. So this isn't in regulation or legislation. There is a change in the coding in terms of whether or not a collision reporting form would identify dooring per se, but it doesn't mean police don't track it. It's just not tracked through this one vehicle, which is the collision reporting form that MTO receives.

It was raised, for example, by the Toronto Police Services Board, and the chief came back and said that they were able to track it and provide that information; it's just more manually intensified with the police services. It's just not tracked through the vehicle collision form that MTO receives for its reporting services, but it doesn't mean that police don't track dooring incidents. They're able to; it's just through a different type of incident report.

Mr. Joe Cimino: Thank you for that. You just reminded me of the comments that were made to me by several people. It just makes sense that if it was listed as a collision on the form, it would be a lot easier to extract that information. I leave that with you.

Last minute?

The Chair (Ms. Cindy Forster): Two minutes. You've got two minutes left.

Mr. Joe Cimino: Two minutes? The last two questions together, then.

The coroner's report in 2012 had two recommendations, I guess. One is truck safeguards along tractor trailers—

Ms. Carol Layton: The side guards, yes.

Mr. Joe Cimino: The side guards, correct. So cyclists again, for example, don't end up under a truck if they get side-swiped. We've seen that in our community, unfortunately—a very sad day.

The second part is the suggestion of complete streets. One of the things that I need to say about some of the projects that happen in Sudbury is that they are geared for cars. The groups come out and suggestions are made

for cycling infrastructure, either on- or off-road etc., and it seems that we need a little bit more bite to the legislation in looking at complete streets.

So really quick comments—I guess we only have about a minute—for complete streets and the guards.

Hon. Steven Del Duca: With respect to the guards, I understand where you're coming from and I know that information has been out in the public domain.

Mr. Joe Cimino: But I understand it is expensive.

Hon. Steven Del Duca: There are, from what I understand, from what the ministry understands—I guess I would call it mixed reviews around whether or not they're completely effective. So we don't anticipate proceeding with that measure at this particular point in time. It is permissible, of course, for a truck company to provide that extra measure, should they choose.

On the complete streets item, in fact, I've had the opportunity to read some media reports in which you've talked about this. I represent a community that sits right on the edge of Toronto, and I would say historically, through the more than quarter century that I've lived in a suburban Toronto riding, for far too long a lot of our municipal partners—and provincial and other—have contemplated the building of communities in a way that is focused on the car and, historically, hasn't taken into account active transportation and other opportunities. I think what we've seen over the last decade with some of the provincial legislation—the Greenbelt legislation, Places to Grow—and the evolution of those pieces of legislation, many of which are up for review over the next year or two, in addition to the measures that the Ministry of Transportation has brought forward, including some contained in Bill 31, the new legislation, I think you see that it is an evolutionary process. But we are making significant headway, and I'm delighted to know that you're a staunch advocate—

The Chair (Ms. Cindy Forster): Thank you, Minister.

Hon. Steven Del Duca: —for making sure we have that outcome. Thank you.

The Chair (Ms. Cindy Forster): Government members, you have 16 minutes. Ms. Kiwala.

Ms. Sophie Kiwala: I'm glad the member from Sudbury began to talk about cycling. I would like to pick up that conversation. The Ontario cycling strategy was launched in August of this year, which I'm delighted to see. I do use my bicycle to get to work, and there's one thing that I've noticed since I've come back to Toronto after so many years—in fact, 17 years—is that obviously there's a huge difference between the cycling infrastructure that we had at that time in Toronto and what we have now.

But there's also a huge variation—in all of our communities, I'm sure—in terms of what we have available. For example, in most areas of Kingston and the Islands now, we've moved to some sections of the roadway that we have—a painted section that's separated out. In some cases, the road has been expanded to accommodate that. In Toronto, I've been very impressed to see that in some

areas you have posts on the road, and in other areas you actually have a little bit of a curb that delineates the cycling pathway.

What I'm interested in finding out about is if you can provide us with an update on the status of the implementation for the cycle strategy.

Hon. Steven Del Duca: Thanks very much for that question. That's a great question.

Over the course of the summer and into the fall, I had the chance to be in two different jurisdictions: one for family vacation time and one because my wife was away on business and I decided to tag along. The first trip took me to San Francisco and the surrounding area and the second trip took me to Barcelona and the surrounding area in Spain. I had the chance to see first-hand exactly how both of those cities, regions, areas deal with some of their active transportation, some of their cycling. As a person who has lived here his entire life, it does kind of open your eyes up to what some of the possibilities are. I know that starting a couple of years ago, there's been some considerable work done here in Ontario by my predecessor and a number of others in our government.

We are, of course, with Bill 31 moving forward with some additional measures, which will be hopefully passed in the soonest time frame that the legislative process permits, so that we can have, for example, that one-metre rule around cyclists for drivers who are passing, where practical, and we talked just a second ago about the increased penalties for dooring. Even when you take into account items like distracted driving, as important as those are, that also has a positive impact. As more and more people learn, particularly our youngest drivers, about the dangers of distracted driving, more and more of our drivers will hopefully be able to keep their eyes off their smart phones, their BlackBerrys, their iPhones, whatever it is, and on the road, which of course will also enhance road safety for everybody on the road, including cyclists.

You would probably know—in fact, I'm sure you know—that we are specifically, as part of the #CycleON action plan, implementing a \$25-million, three-year program which will help support the build out of municipal and provincial cycling infrastructure. Over that three-year span, this program will invest \$10 million in municipal cycling infrastructure and \$15 million in provincial cycling infrastructure.

It's interesting, as you were asking your question, I was giving some consideration to some of the recent work that we see right here in this neighbourhood. Just outside of this building itself, on the north side along Wellesley, we see significant infrastructure work taking place to provide cyclists with a specifically designated lane that is physically separated by a curb from the lanes that other vehicles—cars, trucks, buses etc.—will use. That's a very good example right here on our, let's call it, northern doorstep in this building, the main legislative building, Queen's Park, to see evidence of how much of an evolution has already taken place.

You referenced how over the last 17 years or so you've seen a difference. In my community, there are

organizations and clubs that are popping up all over the place that are talking extensively about public awareness raising around sharing the road, something that our colleague from Burlington is very passionate about, of course, as somebody who helped found and was the original executive director for the organization Share the Road.

So we're moving in the right direction. We're playing a bit of catch-up, there's no doubt about that fact, but this is a very ambitious plan that we have. It's going to make life better for those who do want to share the road properly. Part of it's infrastructure and investments, part of it's legislative and regulatory, and part of it's also awareness raising. I think we have a comprehensive strategy. Of course, the Premier is very dedicated to making sure this happens. It's also an important part of my own mandate letter.

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I know that my parliamentary assistant, the member from Cambridge sitting beside you, is also going to be working very closely with me and the team at MTO to make sure that we roll out our cycling strategy in the way that will most benefit those on the road.

Ms. Sophie Kiwala: That's great. I really appreciate that, and I will be talking to you both afterwards about hopefully some of the strategies that we can implement in Kingston and the Islands, because there are certainly some areas there that are still in need of attention. Our cyclists, myself included, are very much going to appreciate that.

The other item that I wanted to talk to you about is, at the AMO conference—I wasn't there; I didn't have the privilege of attending the bear pit for the first time. I'm sorry about that and I hope to attend that the next time. The Provincial Offences Act with respect to the fines: I know that our mayor of Kingston and the Islands—and I'm sure that the new mayor is going to be talking to me about it, and I know that you've had some issues as well in Cambridge. Can you talk to me a little bit about what action you are going to be taking to help municipalities collect the fines? Considering that these fines amount to almost \$1 billion, it's of very large importance to our municipalities. I look forward to learning that.

Hon. Steven Del Duca: That's also a great question. Of course, in this past year at the AMO conference, the only question that I received—actually, that's not true; there were two questions. But the one that actually created a tiny bit of buzz in the room was around whether or not we would be reintroducing legislation updating or reforming or enhancing the Provincial Offences Act, because of course Bill 34 died on the order paper when the election was triggered back on May 2.

As I have talked about, Bill 31, the legislation that I introduced last week, is a consolidation of two former pieces of legislation, one being Bill 173 and the other being Bill 34. So the great news for municipalities—and I was delighted to see representation from AMO at the media event we did when we announced the legislation last week—because I know when I said at AMO that we

had a plan to reintroduce this legislation in the fall session, in the winter session, there was great deal of encouragement and happiness and applause in the room.

Of course, AMO's been very, very supportive of the fact that Bill 31 has been introduced. They, like many other road safety partners and others, sincerely hope that all members of this Legislature will work as quickly and as hard as we all can to pass this legislation so that the roughly \$1 billion—in fact, from what I understand, the number has now crept up to over \$1 billion—that is there in terms of outstanding fines, in many cases stretching back many, many years, that our municipal partners will now have additional tools, including plate denial etc., being able to deal with out-of-province individuals for whom fines haven't been collected, and being able to deal with, in some cases, vehicle owners who have multiple plates, so it will impact all plates as opposed to individual plates. There are a number of additional tools that we put into that tool box to help our municipal partners collect these outstanding fines, which will go a long way towards helping them, and ultimately will only penalize those who, in the first instance, did something that was a violation of some kind of rule, regulation or law.

So I'm very happy that it's included in Bill 31, and I sincerely hope that bill will pass and become the law of the land sooner rather than later.

Ms. Sophie Kiwala: How much time do we have?

The Chair (Ms. Cindy Forster): You have six minutes left.

Ms. Sophie Kiwala: Can you tell me a little bit more about what tools you'll have to obtain the out-of-province fees?

Hon. Steven Del Duca: This is something that's come up on more than one occasion. It's something that I mentioned the day that we did the media event, and that was contained, actually, as one of the recommendations in the Drummond report, the Commission on the Reform of Ontario's Public Services, which talked about how important it is for municipalities to have the authority to issue notices to what we call out-of-province owners of vehicles involved specifically in red light camera and fail to stop for school bus offences here in the province of Ontario. Up until this point they haven't had the ability to actually issue those notices.

When our colleague the member from Scarborough—Agincourt asked a question earlier about pedestrian safety, we also see that for those who are failing to stop for school buses, a very, very important consideration when taking into account road safety generally, pedestrian safety specifically, and pedestrian safety for some of the youngest that we have—of course, our school kids—living across the province of Ontario, if you were out of province and you had been found guilty of this kind of violation, municipalities couldn't necessarily issue the offence notice. But now, under this legislation, once it's passed, they'll be able to. It will also help ensure that Ontario courts can accept certified documents from other

jurisdictions from the prosecution of what we call owner liability offences and also for parking infractions.

This is all part of the list that not only was recommended in the Drummond report, but we've heard loud and clear from our municipal partners about the need to move forward with this. It's why I'm really happy it is in Bill 31. In the conversations I've had informally with members from the opposition parties, I suspect that they will be very happy to stand with us and support this legislation so that we can collectively help our municipal partners collect these outstanding fines.

Ms. Sophie Kiwala: Thank you.

The Chair (Ms. Cindy Forster): Mr. Dong. Yes, there's a few minutes left, maybe four.

Mr. Han Dong: Four minutes? All right.

Mr. Randy Hillier: Just a short story.

Mr. Han Dong: Yes. You know what, Minister? I appreciate the last 10 and a half hours that you've spent with us. I really appreciate the time. We've had a lot of fun, I believe. You see Randy is smiling and laughing right now.

I just want to take this opportunity and ask you if you could spend the last little bit and just kind of wrap this estimates session and tell us how you feel about the past 10 hours.

Hon. Steven Del Duca: Thanks very much for that question. I'm really happy to have these two or three minutes to try and wrap up, from my perspective. As my very first opportunity to come before estimates committee as a minister, I'm very happy to have done my very best, I think. I want to thank the deputy and the rest of the team from MTO with respect to trying to provide as much clarity around all of the questions that have been asked by members on all three sides.

I've talked extensively about how ambitious our plan is over the next decade. If there's one thing that gives me a great deal of optimism, aside from the fact that I understand very clearly how dedicated and committed the Premier and all of us are in the government caucus with respect to delivering positive results on transit and transportation infrastructure, on those issues that are so important to so many of our communities, whether we're from the north, southwest, rural, urban, whatever it is, the east—I understand how committed we are. If there's one thing I'm really happy about, and I kind of referenced this a little bit earlier today, it's to hear that not all but many of the questions flowing from members of both opposition parties were in fact questions that very clearly, to me, anyway, made me understand that they also now—in some cases, somewhat belatedly—accept the importance of investing.

We talk about Moving Ontario Forward as the name of our plan, but for us it's more than just the name of a plan; it's actually a philosophy. We understand that you need to invest to grow, and if you want the province to move forward, if you want the province to literally be built up, you need to generate those revenues and invest them in a transparent way—not to the detriment of any one particular region, because we do believe, also, in one Ontario,

but to make sure that if you're going to generate \$29 billion over a decade for these crucial investments, you split that as evenly as the statistics and the population will permit you to do, and that's also something that's very fundamental.

But I'm very happy to hear from a number of the members who've been here from both opposition parties that they seem, somewhat belatedly, as I said a second ago, to support the desire for increased infrastructure investments in many of their communities. I said this earlier and not every member was here to hear me say it, but I'll repeat it now; I think it bears repeating: I hope that this newfound attitude will in fact be infectious for members of the opposition parties, that as we go forward in question period and talking to the media and elsewhere, they will stand with us and say, "We actually understand the importance." Whether we're talking about the Morriston bypass or we're talking about roads like Maley Drive around Sudbury and in Sudbury or any of the other projects, they'll be standing with us, so that collectively, the 107 women and men who are so privileged to represent their communities in this building will, together, help all of us build Ontario up.

I'm so delighted and so privileged to be serving at this particular juncture in history as Ontario's Minister of Transportation. I look forward to working with all of you, and I suspect, if I'm still privileged in a year's time to be back at estimates committee, to talk for another 10 years about all that we have accomplished together.

With that, Chair, I'll conclude.

Interjection: Ten years? Ten hours.

Hon. Steven Del Duca: I meant 10 hours. Sorry. It just felt like 10 years at different moments.

Mr. Ted Arnott: Point of order, Madam Chair: Very briefly, I want to thank the minister. I'd be delighted to welcome him to my riding. Together, we could cut the ribbon on the Morriston bypass project. I'd be absolutely delighted.

Hon. Steven Del Duca: Good to know. Thank you.

Mr. Ted Arnott: You asked for documents relating to the proposal. I'm pleased to walk them over to you right now.

Hon. Steven Del Duca: Thank you very much. I appreciate that.

The Chair (Ms. Cindy Forster): Mr. Cimino.

Mr. Joe Cimino: Chair, just a point of order or information: When I mentioned the wonderful groups in Sudbury that are working on complete streets strategies, I'd be remiss if I didn't mention the Coalition for a Liveable Sudbury, Naomi Grant and Lilly Noble. I just wanted to make sure that was on the record.

The Chair (Ms. Cindy Forster): Thank you.

This concludes the committee's consideration of the estimates of the Ministry of Transportation. Standing order 66(b) requires that the Chair put, without further amendment or debate, every question necessary to dispose of the estimates.

Are the members ready to vote?

Interjections: Yes.

The Chair (Ms. Cindy Forster): Yes. Okay. All right, shall vote 2701 carry? All in favour? Opposed? It's carried.

Shall vote 2702 carry? All in favour? Opposed? Carried.

Shall vote 2703 carry? All in favour? Opposed? Carried.

Shall vote 2704 carry? All in favour? Opposed? Carried.

Shall vote 2705 carry? All in favour? Opposed? Carried.

Shall the 2014-15 estimates of the Ministry of Transportation carry? All in favour? Opposed? Carried.

Shall I report the 2014-15 estimates of the Ministry of Transportation to the House? All in favour? Opposed? Carried.

Thank you, everyone. It's been a blast.

The committee adjourned at 1742.

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